Federal Grant Program Spending:

Connecticut

1981 - 1988

Diane DeVaul

Northeast-Midwest Institute
The Center for Regional Policy
218 D Street, S.E.
Washington, D.C. 20003

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Grants-in-aid to state and local governments constitute one of the four major spending categories. (The other three are procurement, salaries and wages, and direct payments to individuals.) Connecticut's share of the total amount of federal grants to state and local governments rose from 1.26 percent to 1.40 percent from fiscal 1981 to fiscal 1988. Two criteria often are used to compare states' performance in receipt of grant funds: relative tax burden and population. Connecticut's tax burden--its payment of federal revenues--increased from 1.76 percent to 2.03 percent during this period, while its population fell from 1.37 to 1.32 percent of the U.S. total. Figure 1 compares Connecticut's population and tax burden to its receipt of grants in all federal programs and the 60 largest programs.

A recent report published by the Northeast-Midwest Institute, Federal Funding Formulas and State Allocations: What Share for the Northeast and Midwest? examines 56 programs that awarded grants of over $100 million in fiscal 1981, and four others that reached $100 million by fiscal 1988. Grants to Connecticut in these programs increased in nominal dollars from $975.9 million (1.34 percent of the total) to $1,267.5 million (1.42 percent) during the period studied. Table 1 presents the amount Connecticut received in these 60 programs and its share relative to other states. The programs are listed in descending order of dollar amounts awarded in fiscal 1981 (or the first year of program operation). Awards in the "first" year are compared to those in the "last" year--the latest fiscal year for which state-by-state allocations are available from government agencies; years range from fiscal 1987 to fiscal 1990. Table 2 presents similar information in 1982 (real) dollars. It shows that Connecticut received a 0.96 percent increase, from $1,019.1 million to $1,028.7 million, while nationally the buying power of the grants decreased by 4.60 percent.

Although the state's receipts fell in real dollars for about two-thirds of the grant programs, the slight overall increase came from substantial gains in the following programs: Medicaid; Highway Planning and Construction: Interstate Substitution; Bridge Replacement and Rehabilitation; the Interstate 4R program; and Educationally Deprived Children program. These increases offset losses in other programs especially in Interstate Construction and Wastewater Treatment Construction Grants. Connecticut's share of funding rose in several programs (particularly in Interstate Highway Substitution and Bridge Replacement and Rehabilitation) enough to offset losses in others. It also benefited from large increases nationally in programs such as Medicaid and Aid to Families with Dependent Children.

Programs Gaining the Most in Funding for Connecticut

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Medicaid	0.26	238.89	145.01
2. Interstate Highway Subst.	13.39	77.47	59.33
3. Bridge Repl./Rehab.	4.41	61.82	48.47
4. Interstate 4R	0.07	23.16	16.18
5. Educ. Deprived Children (Chapter I)	0.21	19.81	9.64

Programs Losing the Most in Funding for Connecticut

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Interstate System Construction	-0.90	-55.88	-64.76
2. Construction Grants (Wastewater)	-0.35	-38.75	-47.14
3. CDBG-Entitlement Grants	-0.09	-10.90	-17.28
4. LIHEAP	-0.01	-7.81	-15.89
5. JTPA IIA	-0.38	-7.48	-8.20

Programs in which Connecticut's Share Increased the Most

	Share First Year (in percent)	Share Last Year (in percent)	Difference (in percent)	Change (in percent)	Difference in Millions of Nominal Dollars
1. Interstate Highway Subst.	1.62	15.01	13.39	826.44	77.47
2. Bridge Repl./Rehab.	0.34	4.75	4.41	1,289.71	61.82
3. UMTA: Small Urban Areas	5.92	7.85	1.94	32.70	2.02
4. Child Support Enf.	1.49	1.92	0.43	28.77	8.39
5. Medicaid	1.24	1.49	0.20	20.66	238.89

Programs in which Connecticut's Share Decreased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. Comm. Svc. Block Grant	2.38	1.32	-1.06	-44.66	2.02
2. Interstate Const.	2.53	1.64	-0.90	-35.45	-55.88
3. Airport Improv. Prim.	0.83	0.08	-0.75	-90.20	-1.11
4. JTPA IIB	1.43	0.89	-0.54	-37.80	-5.11
5. Dislocated Workers	0.84	0.47	-0.38	-44.91	-0.36
6. JTPA IIA	0.93	0.56	-0.38	-40.24	-7.48

With politicians reluctant to consider tax increases or entitlement and military reductions, competition for domestic discretionary program funds--social and economic development initiatives of interest to states and communities--has become fierce. Recent decisions made by Congress and the administration--bailing out insolvent savings and loan institutions, cleaning up the Department of Energy's nuclear facilities, promoting NASA's $30-billion space station, and building the superconducting supercollider--will divert many of these scarce federal dollars away from Connecticut toward states in the South and West. Connecticut taxpayers, for example, will pay an estimated $527 million for the 1988 savings and loan bail-out actions, although none of the state's institutions failed.

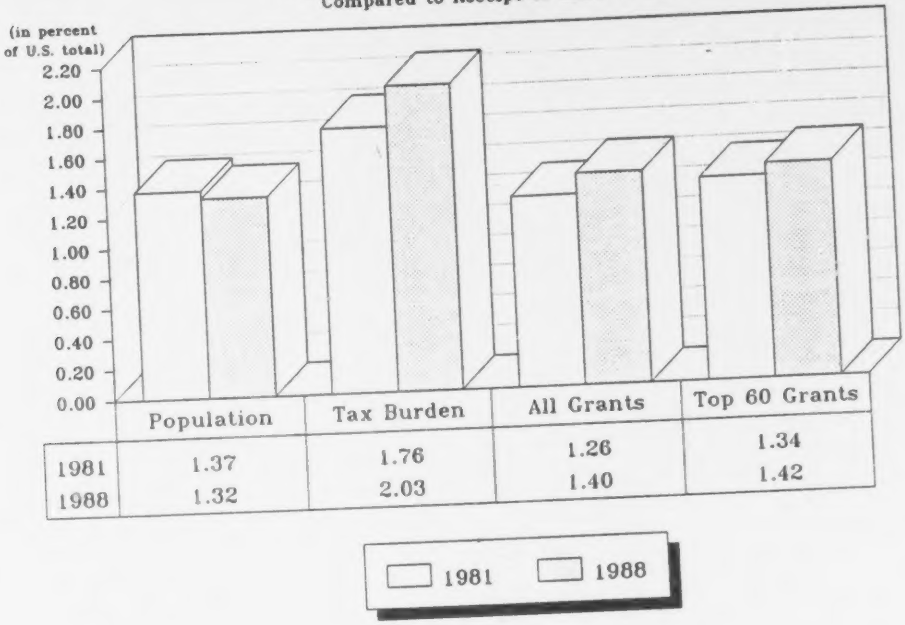
Two factors will continue to affect Connecticut's receipt of grant program funds: increases or cuts in overall appropriations, and gains or losses in the state's share of total funds allocated. The 1990 census may well hurt Connecticut on both of these factors. The Northeast-Midwest region probably will lose 14 seats in the House of Representatives. This loss of political influence will diminish the ability of members from the region to set funding priorities and defend programs of particular benefit to the region from spending cuts.

In addition, funds for 39 of the 60 major grant programs studied are allocated in part on the basis of population. Some formulas consider the entire population, while others target specific sectors, such as school-age children, older Americans, the unemployed, or those living in poverty. In some cases, grant programs use annual population estimates to adjust the allocations. In those cases, estimated population losses account for some of the observed decline in Connecticut's share of funding for these programs. Twenty major programs, however, use decennial census population factors in their formulas. Because Connecticut has not kept pace with the national growth in population, falling from 1.37 percent in 1981 to an estimated 1.31 percent by 1990, the state can expect that use of the 1990 census numbers, starting in 1992, will reduce its receipt of funds.

Many grant formulas work against the interests of Connecticut and other states in the Northeast-Midwest region by underestimating the need for federal assistance, overestimating fiscal (tax-raising) capacity, and underestimating the costs of service responsibilities. For lawmakers interested in promoting more equitable patterns of funding, many opportunities exist to target federal grants more precisely to the people and places in greatest need. Many grant formulas were fashioned years ago when Congress was less concerned with budget deficits. As a result, formulas frequently contain crude and inaccurate factors approximating states' needs and their ability to meet those needs. Congress can correct these distortions when it reauthorizes the grant programs.

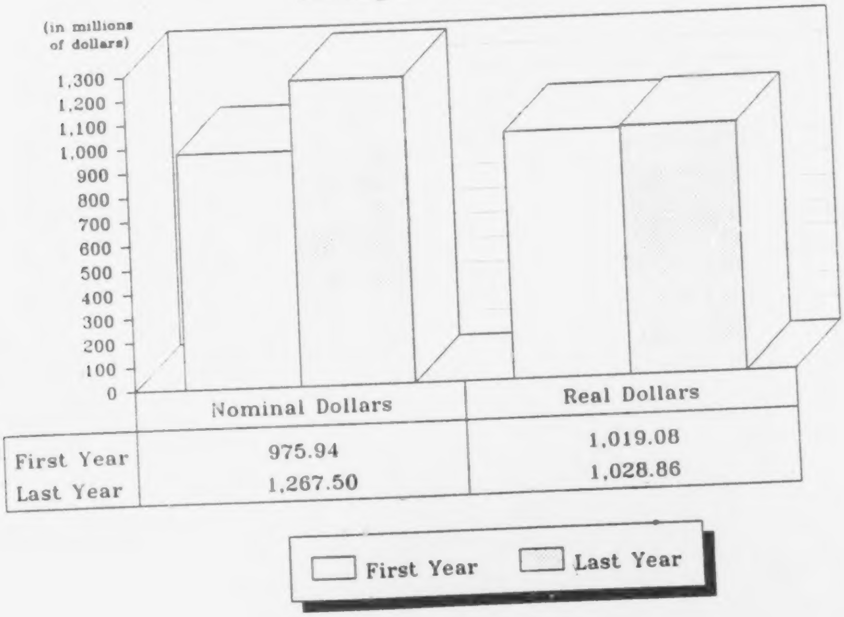
Connecticut

Figure 1. State Population and Tax Burden Compared to Receipt of Grant Funds



	Population	Tax Burden	All Grants	Top 60 Grants
1981	1.37	1.76	1.26	1.34
1988	1.32	2.03	1.40	1.42

Figure 2. Total State Federal Funding for 60 Largest Grants



	Nominal Dollars	Real Dollars
First Year	975.94	1,019.08
Last Year	1,267.50	1,028.86

Table 1

Total Awards, Connecticut's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Medicaid	17,382.07	30,396.40	1.24	1.49	0.26	20.66	215.22	454.11	238.89
AFDC	6,938.72	9,987.67	1.50	1.13	-0.37	-24.58	104.02	112.92	8.90
General Revenue	5,133.68	0.00	1.25	0.00	-1.25	-100.00	64.41	0.00	-64.41
Const. Grants	3,833.59	1,833.00	1.61	1.26	-0.35	-21.89	61.85	23.10	-38.75
Interstate Const.	3,768.10	2,421.50	2.53	1.64	-0.90	-35.45	95.49	39.61	-55.88
Ed. Depr. Child	2,950.50	4,138.90	0.94	1.15	0.21	21.96	27.87	47.68	19.81
CDBG: Large	2,604.66	1,920.62	1.34	1.25	-0.09	-6.72	34.92	24.02	-10.90
S.S. Block Grnt	2,489.62	2,684.53	1.45	1.32	-0.13	-8.96	36.03	35.37	-0.66
School Lunch	2,294.74	2,686.53	0.98	0.77	-0.21	-21.00	22.51	20.82	-1.69
JTPA II-A	1,820.77	1,705.52	0.93	0.56	-0.38	-40.24	16.99	9.51	-7.48
LIHEAP	1,744.17	1,381.09	2.11	2.10	-0.01	-0.52	36.79	28.98	-7.81
Primary System	1,620.38	2,274.79	1.11	1.11	0.00	-0.20	18.05	25.29	7.24
UMTA: Large	1,283.77	1,433.00	0.99	0.89	-0.10	-10.48	12.75	12.74	-0.01
Bridge Rep. Reh.	925.14	1,368.91	0.34	4.75	4.41	1,289.71	3.16	64.98	61.82
WIC	905.87	1,703.44	1.75	1.55	-0.20	-11.67	15.87	26.36	10.49
Food Dist.: Child	901.14	873.51	1.32	1.03	-0.29	-21.96	11.91	9.01	-2.90
CDBG: Small	880.85	798.65	0.96	1.11	0.15	15.79	8.42	8.84	0.42
Ed. of Hand	856.61	1,387.90	1.58	1.46	-0.12	-7.72	13.51	20.20	6.69
Rehab. services	833.41	1,251.79	0.96	0.92	-0.04	-4.14	7.98	11.49	3.51
Interstate 4R	780.06	2,532.12	1.23	1.29	0.07	5.44	9.56	32.72	23.16
JTPA IIB	777.29	673.89	1.43	0.89	-0.54	-37.80	11.09	5.98	-5.11
Urban System	772.60	722.51	1.54	1.45	-0.09	-5.74	11.90	10.49	-1.41
Emp. Ser. Admin	718.09	737.51	1.25	1.12	-0.14	-11.06	9.01	8.23	-0.78
UnEm Ins	686.61	1,407.97	1.86	1.70	-0.16	-8.57	12.79	23.98	11.19
Head Start	684.58	1,059.52	1.08	1.06	-0.02	-1.46	7.39	11.27	3.88
Voc Ed	672.99	793.16	1.21	1.07	-0.14	-11.92	8.14	8.45	0.31
School Assist	622.66	639.08	1.00	1.08	0.08	8.24	6.22	6.91	0.69
Rural Secondary	580.50	581.08	0.70	0.68	-0.02	-2.81	4.05	3.94	-0.11
Improv School P	437.72	464.75	1.29	1.20	-0.09	-6.98	5.65	5.58	-0.07
Alco,Drug, MH	420.18	478.52	1.54	1.46	-0.08	-5.28	6.48	6.99	0.51
Child Support Enf	393.13	741.65	1.49	1.92	0.43	28.77	5.87	14.26	8.39

Table 1

Total Awards, Connecticut's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Refugee Assist	363.43	290.26	0.75	0.88	0.13	16.98	2.74	2.56	-0.18
UDAG	356.22	188.19	0.69	0.68	-0.01	-1.51	2.46	1.28	-1.18
Maternal Child Healt	350.26	448.30	0.94	0.94	0.00	-0.26	3.29	4.20	0.91
Win	347.90	91.80	1.46	1.46	0.00	0.16	5.07	1.34	-3.73
Older Am: Nutr	341.97	426.53	1.44	1.43	-0.02	-1.16	4.94	6.09	1.15
School Break	315.06	427.16	0.27	0.29	0.02	8.47	0.85	1.25	0.40
Foster care	308.75	716.25	0.49	0.60	0.11	21.38	1.52	4.28	2.76
Child Care Food	292.02	479.03	0.95	1.03	0.08	8.67	2.76	4.92	2.16
Senior Com. Ser	271.93	324.51	1.22	1.13	-0.09	-7.37	3.32	3.67	0.35
Interstate Sub	256.20	543.89	1.62	15.01	13.39	826.44	4.15	81.62	77.47
Migrant Ed	256.05	258.46	1.01	1.03	0.01	1.36	2.59	2.65	0.06
Older Am Support	246.04	271.30	1.44	1.43	-0.02	-1.14	3.55	3.87	0.32
Schools & Roads	231.29	317.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Airport Imp: P	219.74	881.76	0.83	0.08	-0.75	-90.20	1.83	0.72	-1.11
Rail Highway	185.36	155.76	0.68	0.67	-0.01	-1.77	1.26	1.04	-0.22
Wap	174.98	157.88	1.43	1.39	-0.04	-2.86	2.51	2.20	-0.31
Wat&Waste Disp	172.14	91.67	0.70	0.92	0.22	31.45	1.20	0.84	-0.36
Dislocated Wor	163.40	219.25	0.84	0.47	-0.38	-44.91	1.38	1.02	-0.36
State &Com. High	162.31	102.51	1.22	1.14	-0.08	-6.44	1.98	1.17	-0.81
Child Welfare	157.67	232.34	1.14	0.89	-0.25	-21.90	1.79	2.06	0.27
UMTA: Small	155.09	142.59	5.92	7.85	1.94	32.70	9.18	11.20	2.02
Ed of Handi Child	144.08	149.80	1.42	1.52	0.09	6.50	2.05	2.27	0.22
Hazard Elim	143.54	163.11	1.22	1.13	-0.08	-6.97	1.75	1.85	0.10
Comm. Ser BG	130.10	388.29	2.38	1.32	-1.06	-44.66	3.10	5.12	2.02
Summer Food Child	101.98	110.14	0.95	0.98	0.03	3.09	0.97	1.08	0.11
Adult Ed	97.22	111.98	1.44	1.35	-0.09	-6.36	1.40	1.51	0.11
Ag. Exper. Stat	91.58	107.53	1.06	1.04	-0.02	-1.66	0.97	1.12	0.15
Food Dist: Elderly	85.74	129.93	1.38	1.24	-0.14	-9.96	1.18	1.61	0.43
Airport Impr:S	32.22	149.57	0.78	0.76	-0.02	-2.63	0.25	1.13	0.88
Total	72,868.47	89,157.27	1.34	1.42	0.08	6.15	975.94	1,267.50	291.56

Table 2
Total Awards, Connecticut's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real Dollars

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Medicaid	18,424.99	24,976.50	228.13	373.14	35.56	63.56
AFDC	7,355.04	8,206.80	110.26	92.79	11.58	-15.85
General Revenue	5,441.70	0.00	68.27	0.00	-100.00	-100.00
Const. Grants	4,063.61	1,461.72	65.56	18.42	-64.03	-71.90
Interstate Const.	3,768.10	1,878.59	95.49	30.73	-50.14	-67.82
Ed. Depr. Child	3,127.53	3,400.90	29.54	39.18	8.74	32.62
CDBG: Large	2,760.94	1,578.16	37.02	19.74	-42.84	-46.68
S.S. Block Grnt	2,396.17	2,140.77	34.68	28.21	-10.66	-18.66
School Lunch	2,432.42	2,282.52	23.86	17.69	-6.16	-25.87
JTPA II-A	1,690.59	1,360.06	15.78	7.58	-19.55	-51.93
LIHEAP	1,848.82	1,101.35	39.00	23.11	-40.43	-40.74
Primary System	1,717.60	1,814.03	19.13	20.17	5.61	5.41
UMTA: Large	1,360.80	1,142.74	13.52	10.16	-16.02	-24.83
Bridge Rep. Reh.	980.65	1,091.63	3.35	51.82	11.32	1,447.00
WIC	960.22	1,399.70	16.82	21.66	45.77	28.76
Food Dist.: Child	955.21	742.15	12.62	7.66	-22.30	-39.36
CDBG: Small	933.70	656.24	8.93	7.26	-29.72	-18.62
Ed. of Hand	908.01	1,106.78	14.32	16.11	21.89	12.48
Rehab. services	883.41	1,063.54	8.46	9.76	20.39	15.41
Interstate 4R	750.78	1,964.41	9.20	25.38	161.65	175.88
JTPA IIB	823.93	553.73	11.76	4.91	-32.79	-58.20
Urban System	818.96	576.16	12.61	8.37	-29.65	-33.68
Emp. Ser. Admin	666.75	588.13	8.37	6.56	-11.79	-21.55
UnEm Ins	727.81	1,122.78	13.56	19.12	54.27	41.05
Head Start	725.65	844.91	7.83	8.99	16.43	14.73
Voc Ed	713.37	651.73	8.63	6.94	-8.64	-19.53
School Assist	660.02	525.13	6.59	5.68	-20.44	-13.88
Rural Secondary	615.33	463.38	4.29	3.14	-24.69	-26.81
Improv School P	421.29	381.88	5.44	4.59	-9.35	-15.68
Alco,Drug, MH	420.18	393.20	6.48	5.74	-6.42	-11.36
Child Support Enf	416.72	630.12	6.22	12.12	51.21	94.71
Refugee Assist	385.24	238.50	2.90	2.10	-38.09	-27.57
UDAG	377.59	154.63	2.61	1.05	-59.05	-59.67
Maternal Child Healt	371.28	357.50	3.49	3.35	-3.71	-3.96
Win	368.77	75.43	5.37	1.10	-79.55	-79.51
Older Am: Nutr	362.49	340.14	5.24	4.86	-6.17	-7.26
School Break	333.96	362.92	0.90	1.06	8.67	17.87
Foster care	327.28	608.54	1.61	3.64	85.94	125.69
Child Care Food	309.54	406.99	2.93	4.18	31.48	42.88
Senior Com. Ser	288.25	266.65	3.52	3.02	-7.49	-14.31
Interstate Sub	246.58	421.95	3.99	63.32	71.12	1,485.30
Migrant Ed	271.41	212.37	2.75	2.18	-21.75	-20.69
Older Am Support	260.80	216.35	3.76	3.09	-17.05	-17.99

Table 2

Total Awards, Connecticut's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real Dollars (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Schools & Roads	245.17	261.27	0.00	0.00	6.57	0.00
Airport Imp: P	219.74	724.54	1.83	0.59	229.72	-67.67
Rail Highway	196.48	124.21	1.34	0.83	-36.78	-37.90
Wap	185.48	129.73	2.66	1.81	-30.06	-32.06
Wat&Waste Disp	182.47	75.32	1.27	0.69	-58.72	-45.74
Dislocated Wor	151.72	174.84	1.28	0.81	15.24	-36.52
State &Com. High	172.05	84.23	2.10	0.96	-51.04	-54.19
Child Welfare	167.13	190.91	1.90	1.69	14.23	-10.79
UMTA: Small	164.40	113.71	9.73	8.93	-30.83	-8.21
Ed of Handi Child	152.72	123.09	2.17	1.87	-19.40	-14.16
Hazard Elim	152.15	130.07	1.86	1.48	-14.51	-20.47
Comm. Ser BG	130.10	319.06	3.10	4.21	145.24	35.71
Summer Food Child	108.10	93.58	1.03	0.92	-13.43	-10.76
Adult Ed	103.05	89.30	1.48	1.20	-13.35	-18.86
Ag. Exper. Stat	97.07	88.36	1.03	0.92	-8.98	-10.49
Food Dist: Elderly	90.88	110.39	1.25	1.37	21.46	9.36
Airport Impr:S	34.15	122.90	0.27	0.93	259.85	250.38
Total	76,226.36	72,717.24	1,019.08	1,028.86	-4.60	0.96

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A recent report published by the Northeast-Midwest Institute, Federal Funding Formulas and State Allocations: What Share for the Northeast and Midwest? examines 56 programs that awarded grants over $100 million in fiscal 1981, plus four others that reached $100 million by fiscal 1988. Grants to Delaware in these programs increased in nominal dollars from $208.7 million to $229.9 million, but its percentage share fell from 0.29 percent to 0.26 percent of the total during the period studied. Table 1 presents the amount Delaware received in these 60 programs and its share relative to other states. The programs are listed in descending order of dollar amounts awarded in fiscal 1981 (or the first year of program operation.) Awards in the "first" year are compared to those in the "last" year--the latest fiscal year for which state-by-state allocations are available from government agencies; years range from fiscal 1987 to fiscal 1990. Table 2 presents similar information in 1982 (real) dollars. It shows that Delaware suffered a 14.4 percent loss, from $217.9 million to $186.5 million, compared to a 4.6 percent decline for grant programs nationally.

The state's receipts fell in real dollars for about two-thirds of the grant programs. Delaware registered some gains in Medicaid, Highway Planning and Construction, the Interstate 4R program, the Educationally Deprived Children program, the Primary Airport Improvement Program, and Unemployment Insurance. These increases were not enough to offset losses in other programs, including Wastewater Treatment Construction Grants, Interstate Construction, Urban Development Action Grants, and Community Development Block Grants for large urban areas.

Delaware's overall level of grant receipts might have fallen even more if its share of funding had not risen in several programs: Education of Handicapped Children, Vocational Education, Summer Food Service Program for Children, and Water and Waste Disposal Systems. The state benefited from large increases nationally in programs such as Medicaid and Aid to Families with Dependent Children.

Programs Gaining the Most in Funding for Delaware

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Medicaid	0.00	24.44	12.66
2. Interstate 4R	0.00	8.82	6.12
3. Ed. Deprived Children	0.01	4.33	1.14
4. Airport Improvement: Primary	0.00	3.19	0.40
5. Unemployment Insurance	0.06	2.56	1.60

Programs Losing the Most in Funding for Delaware

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Const. Grants (wastewater)	0.06	-7.70	-10.60
2. Interstate Const.	0.11	-3.38	-6.49
3. UDAG	-0.47	-2.65	-3.06
4. CDBG: Large Cities	-0.03	-2.45	-3.73
5. UMTA: Large Cities	-0.13	-1.43	-2.13

Programs in which Delaware's Share Increased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. Ed. of Handi Child.	1.21	1.60	0.39	31.91	0.65
2. Voc. Education	0.25	0.49	0.23	92.16	2.15
3. Summer Food Prog. Child.	0.51	0.67	0.16	31.76	0.22
4. Water & Waste Disp.	0.25	0.39	0.14	57.21	-0.07
5. Interstate Const.	0.46	0.57	0.11	25.10	-3.38

Programs in which Delaware's Share Decreased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. UDAG	1.05	0.58	-0.47	-44.83	-2.65
2. Ag. Exper. Stat.	0.92	0.72	-0.20	-21.93	-0.07
3. Comm. Serv. Block Grants	0.45	0.29	-0.16	-35.88	0.53
4. UMTA: Large	0.29	0.16	-0.13	-44.58	-1.43
5. School Assistance	0.11	0.01	-0.10	-91.65	-0.64

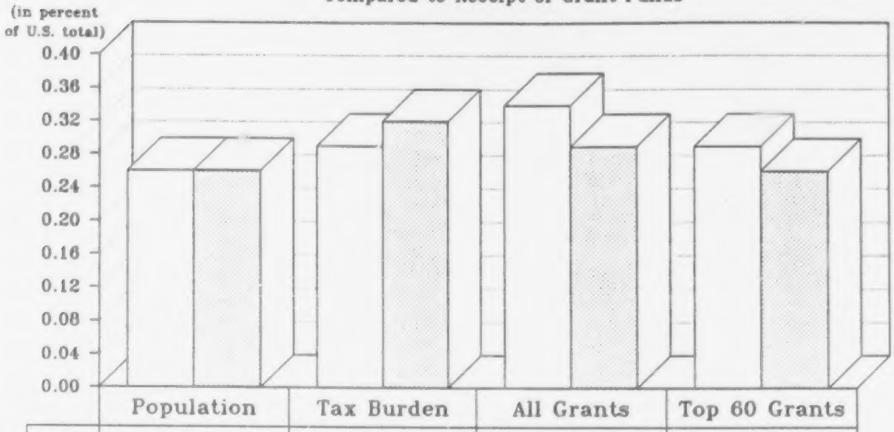
With politicians reluctant to consider tax increases or entitlement and military reductions, competition for domestic discretionary program funds--social and economic development initiatives of interest to states and communities--has become fierce. Recent decisions made by Congress and the administration--bailing out insolvent savings and loan institutions, cleaning up the Department of Energy's nuclear facilities, promoting NASA's $30-billion space station, and building the superconducting supercollider--will divert many of these scarce federal dollars away from Delaware and toward states in the South and West. Delaware taxpayers, for example, will pay an estimated $80 million for the 1988 savings and loan bail-out actions, although none of the state's institutions failed.

Two factors will continue to affect Delaware's receipt of grant program funds: increases or cuts in overall appropriations, and gains or losses in the state's share of total funds allocated. The 1990 census may well hurt Delaware on both of these factors. The Northeast-Midwest region probably will lose 14 seats in the House of Representatives. This loss of political influence will diminish the ability of members from these states to set funding priorities and to defend programs of particular benefit to the region from spending cuts.

Many grant formulas work against the interests of Delaware and other states in the Northeast-Midwest region by underestimating the need for federal assistance, overestimating fiscal (tax-raising) capacity, and underestimating the costs of service responsibilities. For lawmakers interested in promoting more equitable patterns of funding, many opportunities exist to target federal grants more precisely to the people and places in greatest need. Many grant formulas were fashioned years ago when Congress was less concerned with budget deficits. As a result, formulas frequently contain crude and inaccurate factors approximating states' needs and their ability to meet those needs. Congress can correct these distortions when it reauthorizes the grant programs.

Delaware

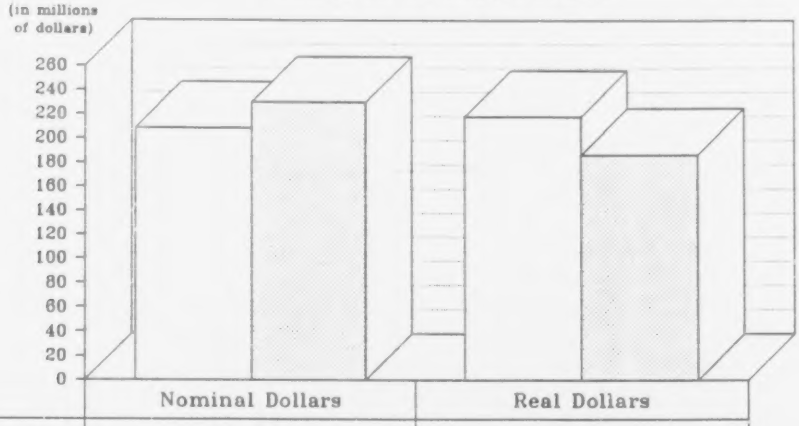
Figure 1. State Population and Tax Burden Compared to Receipt of Grant Funds



	Population	Tax Burden	All Grants	Top 60 Grants
1981	0.26	0.29	0.34	0.29
1988	0.26	0.32	0.29	0.26

☐ 1981 ▨ 1988

Figure 2. Total State Federal Funding for 60 Largest Grants



	Nominal Dollars	Real Dollars
First Year	208.65	217.94
Last Year	229.86	186.53

☐ First Year ▨ Last Year

Table 1
Total Awards, Delaware's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Medicaid	17,382.07	30,396.40	0.18	0.18	0.00	2.05	31.15	55.59	24.44
AFDC	6,938.72	9,987.67	0.23	0.15	-0.08	-35.69	16.15	14.95	-1.20
General Revenue	5,133.68	0.00	0.31	0.00	-0.31	-100.00	15.77	0.00	-15.77
Const. Grants	3,833.59	1,833.00	0.44	0.51	0.06	14.19	16.96	9.26	-7.70
Interstate Const.	3,768.10	2,421.50	0.46	0.57	0.11	25.10	17.24	13.86	-3.38
Ed. Depr. Child	2,950.50	4,138.90	0.34	0.35	0.01	1.70	10.15	14.48	4.33
CDBG: Large	2,604.66	1,920.62	0.28	0.25	-0.03	-10.60	7.19	4.74	-2.45
S.S. Block Grnt	2,489.62	2,684.53	0.24	0.26	0.03	11.98	5.88	7.10	1.22
School Lunch	2,294.74	2,686.53	0.23	0.18	-0.04	-18.38	5.18	4.95	-0.23
JTPA II-A	1,820.77	1,705.52	0.26	0.26	0.00	1.31	4.70	4.46	-0.24
LIHEAP	1,744.17	1,381.09	0.28	0.28	0.00	-0.37	4.88	3.85	-1.03
Primary System	1,620.38	2,274.79	0.50	0.50	0.00	-0.89	8.15	11.34	3.19
UMTA: Large	1,283.77	1,433.00	0.29	0.16	-0.13	-44.58	3.75	2.32	-1.43
Bridge Rep. Reh.	925.14	1,368.91	0.25	0.27	0.01	5.74	2.32	3.63	1.31
WIC	905.87	1,703.44	0.21	0.25	0.03	15.68	1.94	4.22	2.28
Food Dist.: Child	901.14	873.51	0.24	0.26	0.02	9.34	2.17	2.30	0.13
CDBG: Small	880.85	798.65	0.16	0.18	0.01	8.01	1.45	1.42	-0.03
Ed. of Hand	856.61	1,387.90	0.32	0.26	-0.05	-16.56	2.70	3.65	0.95
Rehab. services	833.41	1,251.79	0.36	0.34	-0.02	-4.89	3.01	4.30	1.29
Interstate 4R	780.06	2,532.12	0.50	0.50	0.00	0.48	3.90	12.72	8.82
JTPA IIB	777.29	673.89	0.27	0.26	-0.01	-1.93	2.07	1.76	-0.31
Urban System	772.60	722.51	0.50	0.51	0.00	0.35	3.90	3.66	-0.24
Emp. Ser. Admin	718.09	737.51	0.28	0.28	0.00	0.24	2.03	2.09	0.06
UnEm Ins	686.61	1,407.97	0.24	0.30	0.06	23.52	1.67	4.23	2.56
Head Start	684.58	1,059.52	0.24	0.25	0.01	4.34	1.61	2.60	0.99
Voc Ed	672.99	793.16	0.25	0.49	0.23	92.16	1.70	3.85	2.15
School Assist	622.66	639.08	0.11	0.01	-0.10	-91.65	0.70	0.06	-0.64
Rural Secondary	580.50	581.08	0.50	0.50	0.00	-0.10	2.93	2.93	0.00
Improv School P	437.72	464.75	0.51	0.51	0.00	0.10	2.23	2.37	0.14
Alco,Drug, MH	420.18	478.52	0.27	0.30	0.03	11.12	1.13	1.43	0.30
Child Support Enf	393.13	741.65	0.48	0.44	-0.04	-7.52	1.88	3.28	1.40

Table 1

Total Awards, Delaware's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Refugee Assist	363.43	290.26	0.00	0.03	0.03	--	0.00	0.10	0.10
UDAG	356.22	188.19	1.05	0.58	-0.47	-44.83	3.74	1.09	-2.65
Maternal Child Healt	350.26	448.30	0.42	0.41	-0.02	-3.92	1.48	1.82	0.34
Win	347.90	91.80	0.34	0.34	-0.01	-2.10	1.20	0.31	-0.89
Older Am: Nutr	341.97	426.53	0.51	0.52	0.01	1.96	1.73	2.20	0.47
School Break	315.06	427.16	0.27	0.22	-0.05	-20.17	0.85	0.92	0.07
Foster care	308.75	716.25	0.12	0.06	-0.06	-50.91	0.36	0.41	0.05
Child Care Food	292.02	479.03	0.37	0.41	0.04	10.63	1.08	1.96	0.88
Senior Com. Ser	271.93	324.51	0.43	0.44	0.01	3.30	1.16	1.43	0.27
Interstate Sub	256.20	543.89	0.00	0.00	0.00	--	0.00	0.00	0.00
Migrant Ed	256.05	258.46	0.37	0.28	-0.09	-24.67	0.96	0.73	-0.23
Older Am Support	246.04	271.30	0.51	0.52	0.01	1.57	1.25	1.40	0.15
Schools & Roads	231.29	317.97	0.00	0.00	0.00	--	0.00	0.00	0.00
Airport Imp: P	219.74	881.76	0.00	0.03	0.03	--	0.00	0.26	0.26
Rail Highway	185.36	155.76	0.31	0.32	0.01	2.59	0.58	0.50	-0.08
Wap	174.98	157.88	0.30	0.32	0.01	4.56	0.53	0.50	-0.03
Wat&Waste Disp	172.14	91.67	0.25	0.39	0.14	57.21	0.43	0.36	-0.07
Dislocated Wor	163.40	219.25	0.18	0.09	-0.10	-52.80	0.30	0.19	-0.11
State &Com. High	162.31	102.51	0.52	0.52	0.00	-0.10	0.84	0.53	-0.31
Child Welfare	157.67	232.34	0.28	0.27	-0.01	-2.83	0.44	0.63	0.19
UMTA: Small	155.09	142.59	0.00	0.00	0.00	--	0.00	0.00	0.00
Ed of Handi Child	144.08	149.80	1.21	1.60	0.39	31.91	1.75	2.40	0.65
Hazard Elim	143.54	163.11	0.52	0.51	-0.01	-1.30	0.74	0.83	0.09
Comm. Ser BG	130.10	388.29	0.45	0.29	-0.16	-35.88	0.58	1.11	0.53
Summer Food Child	101.98	110.14	0.51	0.67	0.16	31.76	0.52	0.74	0.22
Adult Ed	97.22	111.98	0.39	0.44	0.05	11.95	0.38	0.49	0.11
Ag. Exper. Stat	91.58	107.53	0.92	0.72	-0.20	-21.93	0.84	0.77	-0.07
Food Dist: Elderly	85.74	129.93	0.43	0.42	-0.02	-3.69	0.37	0.54	0.17
Airport Impr:S	32.22	149.57	0.16	0.16	0.01	3.40	0.05	0.24	0.19
Total/Weighted Avg.	72,868.47	89,157.27	0.29	0.26	-0.03	-9.96	208.65	229.86	21.21

Table 2

Total Awards, Delaware's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real Dollars

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Medicaid	18,424.99	24,976.50	33.02	45.68	35.56	38.34
AFDC	7,355.04	8,206.80	17.12	12.28	11.58	-28.24
General Revenue	5,441.70	--	16.72	--	--	--
Const. Grants	4,063.61	1,461.72	17.98	7.38	-64.03	-58.92
Interstate Const.	3,768.10	1,878.59	17.24	10.75	-50.14	-37.63
Ed. Depr. Child	3,127.53	3,400.90	10.76	11.90	8.74	10.59
CDBG: Large	2,760.94	1,578.16	7.62	3.89	-42.84	-48.90
S.S. Block Grnt	2,396.17	2,140.77	5.66	5.66	-10.66	0.05
School Lunch	2,432.42	2,282.52	5.49	4.21	-6.16	-23.41
JTPA II-A	1,690.59	1,360.06	4.36	3.56	-19.55	-18.50
LIHEAP	1,848.82	1,101.35	5.17	3.07	-40.43	-40.65
Primary System	1,717.60	1,814.03	8.64	9.04	5.61	4.68
UMTA: Large	1,360.80	1,142.74	3.98	1.85	-16.02	-53.46
Bridge Rep. Reh.	980.65	1,091.63	2.46	2.89	11.32	17.71
WIC	960.22	1,399.70	2.06	3.47	45.77	68.62
Food Dist.: Child	955.21	742.15	2.30	1.95	-22.30	-15.05
CDBG: Small	933.70	656.24	1.54	1.17	-29.72	-24.09
Ed. of Hand	908.01	1,106.78	2.86	2.91	21.89	1.70
Rehab. services	883.41	1,063.54	3.19	3.65	20.39	14.50
Interstate 4R	750.78	1,964.41	3.75	9.87	161.65	162.90
JTPA IIB	823.93	553.73	2.19	1.45	-32.79	-34.09
Urban System	818.96	576.16	4.13	2.92	-29.65	-29.40
Emp. Ser. Admin	666.75	588.13	1.88	1.67	-11.79	-11.58
UnEm Ins	727.81	1,122.78	1.77	3.37	54.27	90.56
Head Start	725.65	844.91	1.71	2.07	16.43	21.49
Voc Ed	713.37	651.73	1.80	3.16	-8.64	75.56
School Assist	660.02	525.13	0.74	0.05	-20.44	-93.36
Rural Secondary	615.33	463.38	3.11	2.34	-24.69	-24.77
Improv School P	421.29	381.88	2.15	1.95	-9.35	-9.27
Alco.Drug. MH	420.18	393.20	1.13	1.18	-6.42	3.98
Child Support Enf	416.72	630.12	1.99	2.79	51.21	39.84
Refugee Assist	385.24	238.50	0.00	0.08	-38.09	--
UDAG	377.59	154.63	3.96	0.90	-59.05	-77.41
Maternal Child Healt	371.28	357.50	1.57	1.45	-3.71	-7.49
Win	368.77	75.43	1.27	0.25	-79.55	-79.97
Older Am: Nutr	362.49	340.14	1.83	1.75	-6.17	-4.33
School Break	333.96	362.92	0.90	0.78	8.67	-13.25
Foster care	327.28	608.54	0.38	0.35	85.94	-8.72
Child Care Food	309.54	406.99	1.14	1.67	31.48	45.46
Senior Com. Ser	288.25	266.65	1.23	1.18	-7.49	-4.44
Interstate Sub	246.58	421.95	0.00	0.00	71.12	--
Migrant Ed	271.41	212.37	1.02	0.60	-21.75	-41.05
Older Am Support	260.80	216.35	1.33	1.12	-17.05	-15.74

Table 2

Total Awards, Delaware's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real Dollars (continued)

	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
Program Name	(in millions of real dollars)				(in percent)	
Schools & Roads	245.17	261.27	0.00	0.00	6.57	0.00
Airport Imp: P	219.74	724.54	0.00	0.21	229.72	--
Rail Highway	196.48	124.21	0.61	0.40	-36.78	-35.15
Wap	185.48	129.73	0.56	0.41	-30.06	-26.87
Wat&Waste Disp	182.47	75.32	0.46	0.30	-58.72	-35.10
Dislocated Wor	151.72	174.84	0.28	0.15	15.24	-45.61
State &Com. High	172.05	84.23	0.89	0.44	-51.04	-51.09
Child Welfare	167.13	190.91	0.47	0.52	14.23	10.99
UMTA: Small	164.40	113.71	0.00	0.00	-30.83	--
Ed of Handi Child	152.72	123.09	1.86	1.97	-19.40	6.31
Hazard Elim	152.15	130.07	0.78	0.66	-14.51	-15.62
Comm. Ser BG	130.10	319.06	0.58	0.91	145.24	57.25
Summer Food Child	108.10	93.58	0.55	0.63	-13.43	14.06
Adult Ed	103.05	89.30	0.40	0.39	-13.35	-2.99
Ag. Exper. Stat	97.07	88.36	0.89	0.63	-8.98	-28.94
Food Dist: Elderly	90.88	110.39	0.39	0.46	21.46	16.98
Airport Impr:S	34.15	122.90	0.05	0.20	259.85	272.09
Total/Weighted Avg.	76,226.36	72,717.24	217.94	186.53	-4.60	-14.41

Federal Grant Program Spending:

Illinois

1981 - 1988

Diane DeVaul

Northeast-Midwest Institute
The Center for Regional Policy
218 D Street, S.E.
Washington, D.C. 20003

October 1989

Grants-in-aid to state and local governments constitute one of the four major federal spending categories. (The other three are procurement, salaries and wages, and direct payments to individuals). Illinois' share of the total amount of federal grants to state and local governments fell from 4.94 percent to 4.25 percent between fiscal 1981 and fiscal 1988. Two criteria often are used to compare states' receipt of grant funds: relative tax burden and population. Illinois' tax burden--its payment of federal revenues--decreased from 5.98 percent to 5.23 percent during this period, and its population fell from 5.00 to 4.72 percent of the U.S. total. Figure 1 compares Illinois' population and tax burden to its receipt of grants in all federal programs and the 60 largest programs.

A recent report published by the Northeast-Midwest Institute, Federal Funding Formulas and State Allocations: What Share for the Northeast and Midwest? examines 56 programs that awarded grants over $100 million in fiscal 1981, plus four others that reached $100 million by fiscal 1988. Grants to Illinois in these programs fell in nominal dollars from $3,681.5 million (5.05 percent of the total) to $3,661.5 million (4.11 percent) during the period studied. Table 1 presents the amount Illinois received in these 60 programs and its share relative to other states. The programs are listed in descending order of dollar amounts awarded in fiscal 1981 (or the first year of program operation). Awards in the "first" year are compared to those in the "last" year--the latest fiscal year for which state-by-state allocations are available from government agencies; years range from fiscal 1987 to fiscal 1990. Table 2 presents similar information in 1982 (real) dollars. It shows that Illinois suffered a 22.5 percent loss, from $3,850.9 million to $2,984.1 million, compared to a 4.6 percent decline for grant programs nationally.

The state's receipts fell in real dollars for about two-thirds of the grant programs. Some programs increased in funding, including: Medicaid; the Educationally Deprived Children program; the Interstate 4R program; Aid to Families With Dependent Children; and the Supplemental Food Program for Women, Infants and Children. These increases were offset by losses in other programs, including the Construction Grants program, the Interstate Substitution program, the Community Development Block Grant program to large urban areas, the Interstate Construction program, and the Bridge Replacement and Rehabilitation program. Illinois' share of funding rose in the Foster Care program, the Urban Mass Transit Assistance program for small urban areas, the Social Services Block Grant program, the Child Support Enforcement program, and the Education of Handicapped Children program. The state also benefited from large increases nationally in Medicaid and Aid to Families with Dependent Children.

Programs Gaining the Most in Funding for Illinois

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Medicaid	-1.35	201.90	-29.27
2. Educ. Deprived Children	0.18	63.83	19.17
3. Interstate 4R	-0.31	60.49	41.24
4. AFDC	-1.24	48.00	-53.79
5. WIC	0.30	36.45	21.49

Programs Losing the Most in Funding for Illinois

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Const. Grants	-3.12	-212.63	-247.79
2. Interstate Sub.	-37.48	-64.48	-73.19
3. CDBG: Large	-0.60	-59.80	-92.98
4. Interstate Const.	-0.80	-37.89	-41.00
5. Bridge Repl./Rehab.	-5.10	-34.13	-46.72

Programs in which Illinois' Share Increased the Most

	Share First Year (in percent)	Share Last Year (in percent)	Difference (in percent)	Change (in percent)	Difference in Millions of Nominal Dollars
1. Foster Care	2.46	3.86	1.40	56.86	20.03
2. UMTA: Small	4.24	5.15	0.92	21.68	0.78
3. Social Services BG	3.84	4.72	0.88	22.93	31.11
4. Child Support Enfor.	2.79	3.41	0.62	22.15	14.31
5. Ed. of Handi. Children	14.28	14.85	0.57	3.99	1.67

Programs in which Illinois' Share Decreased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. Interstate Sub.	48.44	10.96	-37.48	-77.37	-64.48
2. Bridge Repl./Rehab.	8.03	2.93	-5.10	-63.48	-34.13
3. Comm. Serv. Block Grant	8.76	5.17	-3.60	-41.04	8.66
4. Const. Grants	7.77	4.65	-3.12	-40.13	-212.63
5. Medicaid	4.71	3.36	-1.35	-28.72	201.90

With politicians reluctant to consider tax increases or entitlement and military reductions, competition for domestic discretionary program funds--social and economic development initiatives of interest to states and communities--has become fierce. Recent decisions made by Congress and the administration--cleaning up the Department of Energy's nuclear facilities, promoting NASA's $30-billion space station, and building the superconducting supercollider--will divert many of these scarce federal dollars away from Illinois and toward states in the South and West.

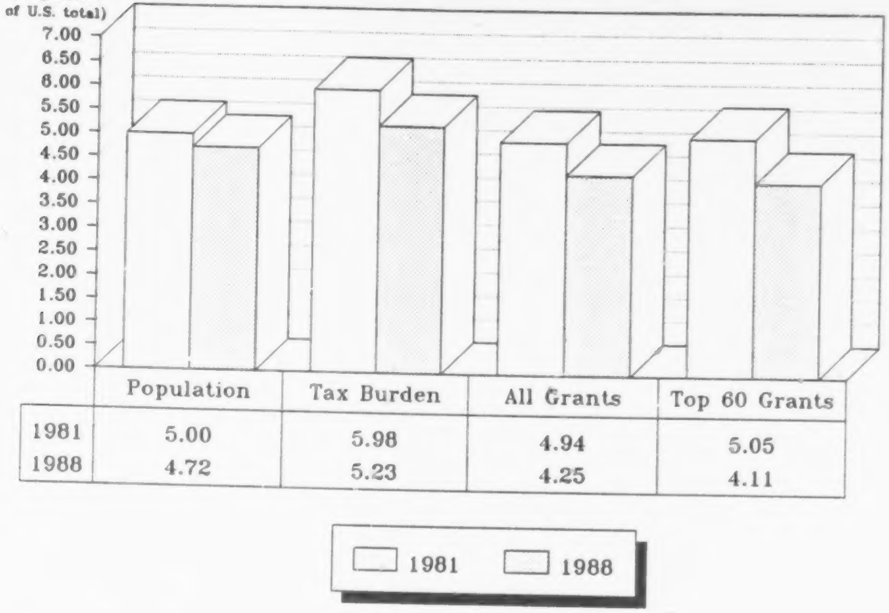
Two factors will continue to affect Illinois' receipt of grant program funds: increases or cuts in overall appropriations, and gains or losses in the state's share of total funds allocated. The 1990 census may hurt Illinois on both of these factors. The Northeast-Midwest region probably will lose 14 seats in the House of Representatives. Illinois alone may lose two seats. This loss of political influence will diminish the ability of members from these states to set funding priorities and defend programs of particular benefit to the region from spending cuts.

In addition, funds for 39 of the 60 major grant programs studied are allocated in part on the basis of population. Some formulas consider the entire population while others target specific sectors, such as school-age children, older Americans, the unemployed, or those living in poverty. In some cases, grant programs use annual population estimates to adjust the allocations. In those cases, estimated population loss accounts for some of the observed decline in Illinois' share of funding for these programs. Twenty major programs, however, use decennial census population factors in their formulas. Because Illinois has not kept pace with the national growth in population, falling from 5.00 percent in 1981 to an estimated 4.65 percent by 1990, the state can expect that use of the census numbers, which take effect in 1992, will reduce its receipt of funds.

Many grant formulas that allocate federal funds work against the interests of Illinois and other states in the Northeast-Midwest region by underestimating the need for federal assistance, overestimating fiscal (tax-raising) capacity, and underestimating the costs of service responsibilities. For lawmakers interested in promoting more equitable patterns of funding, many opportunities exist to target federal grants to the people and places in greatest need. Many grant formulas were fashioned years ago when Congress was less concerned with budget deficits. As a result, formulas frequently contain crude and inaccurate factors approximating states' needs and their ability to meet those needs. Congress can correct these distortions when it reauthorizes the grant programs.

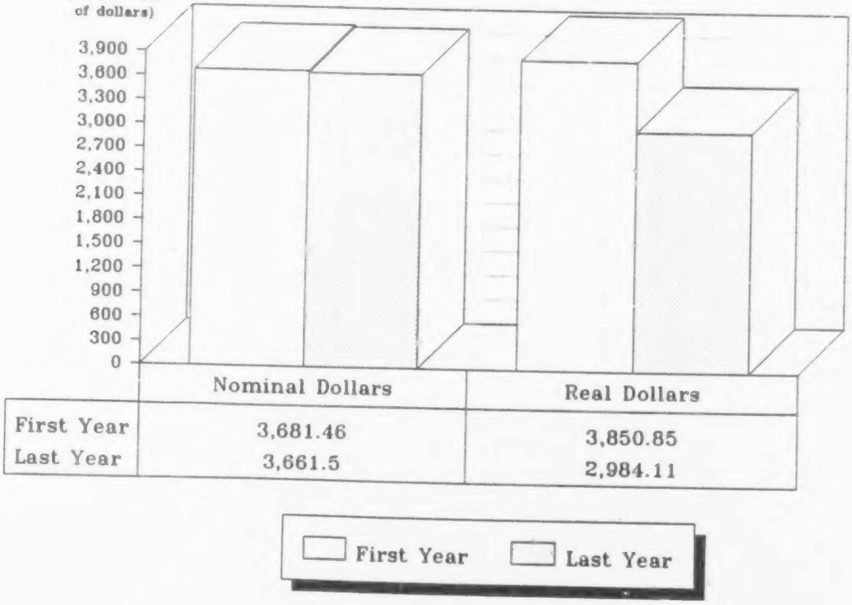
Illinois

Figure 1. State Population and Tax Burden Compared to Receipt of Grant Funds



	Population	Tax Burden	All Grants	Top 60 Grants
1981	5.00	5.98	4.94	5.05
1988	4.72	5.23	4.25	4.11

Figure 2. Total State Federal Funding for 60 Largest Grants



	Nominal Dollars	Real Dollars
First Year	3,681.46	3,850.85
Last Year	3,661.5	2,984.11

Table 1
Total Awards, Illinois' Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Medicaid	17,382.07	30,396.40	4.71	3.36	-1.35	-28.72	818.97	1,020.87	201.90
AFDC	6,938.72	9,987.67	5.64	4.40	-1.24	-22.00	391.24	439.24	48.00
General Revenue	5,133.68	--	4.94	0.00	-4.94	-100.00	253.73	0.00	-253.73
Const. Grants	3,833.59	1,833.00	7.77	4.65	-3.12	-40.13	297.92	85.29	-212.63
Interstate Const.	3,768.10	2,421.50	1.37	0.57	-0.80	-58.32	51.75	13.86	-37.89
Ed. Depr. Child	2,950.50	4,138.90	4.73	4.92	0.18	3.87	139.64	203.47	63.83
CDBG: Large	2,604.66	1,920.62	7.06	6.46	-0.60	-8.47	183.96	124.16	-59.80
S.S. Block Grnt	2,489.62	2,684.53	3.84	4.72	0.88	22.93	95.56	126.67	31.11
School Lunch	2,294.74	2,686.53	4.13	4.28	0.15	3.69	94.78	115.06	20.28
JTPA II-A	1,820.77	1,705.52	5.76	5.84	0.07	1.28	104.95	99.57	-5.38
LIHEAP	1,744.17	1,381.09	5.84	5.81	-0.03	-0.51	101.83	80.22	-21.61
Primary System	1,620.38	2,274.79	4.10	3.95	-0.14	-3.47	66.37	89.94	23.57
UMTA: Large	1,283.77	1,433.00	8.45	8.74	0.29	3.47	108.45	125.26	16.81
Bridge Rep. Reh.	925.14	1,368.91	8.03	2.93	-5.10	-63.48	74.25	40.12	-34.13
WIC	905.87	1,703.44	3.92	4.23	0.30	7.73	35.53	71.98	36.45
Food Dist.: Child	901.14	873.51	3.60	3.98	0.37	10.41	32.47	34.75	2.28
CDBG: Small	880.85	798.65	3.68	3.49	-0.19	-5.26	32.41	27.84	-4.57
Ed. of Hand	856.61	1,387.90	5.81	5.02	-0.78	-13.46	49.73	69.73	20.00
Rehab. services	833.41	1,251.79	3.73	3.94	0.21	5.63	31.06	49.28	18.22
Interstate 4R	780.06	2,532.12	3.91	3.59	-0.31	-8.04	30.47	90.96	60.49
JTPA IIB	777.29	673.89	5.57	5.69	0.11	2.03	43.32	38.32	-5.00
Urban System	772.60	722.51	6.01	5.55	-0.46	-7.66	46.47	40.13	-6.34
Emp. Ser. Admin	718.09	737.51	4.69	4.66	-0.03	-0.58	33.65	34.36	0.71
UnEm Ins	686.61	1,407.97	5.18	5.13	-0.05	-0.95	35.55	72.21	36.66
Head Start	684.58	1,059.52	5.83	5.68	-0.15	-2.53	39.90	60.19	20.29
Voc Ed	672.99	793.16	4.42	4.46	0.03	0.72	29.77	35.34	5.57
School Assist	622.66	639.08	2.23	1.88	-0.35	-15.68	13.90	12.03	-1.87
Rural Secondary	580.50	581.08	3.07	2.94	-0.13	-4.14	17.82	17.10	-0.72
Improv School P	437.72	464.75	4.88	4.75	-0.13	-2.69	21.36	22.07	0.71
Alco,Drug, MH	420.18	478.52	3.87	4.02	0.15	3.86	16.25	19.22	2.97
Child Support Enf	393.13	741.65	2.79	3.41	0.62	22.15	10.97	25.28	14.31

Table 1

Total Awards, Illinois' Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Refugee Assist	363.43	290.26	4.67	3.45	-1.22	-26.07	16.97	10.02	-6.95
UDAG	356.22	188.19	2.42	2.33	-0.09	-3.71	8.61	4.38	-4.23
Maternal Child Health	350.26	448.30	4.12	4.18	0.06	1.41	14.43	18.73	4.30
Win	347.90	91.80	5.04	4.98	-0.06	-1.26	17.54	4.57	-12.97
Older Am: Nutr	341.97	426.53	4.82	4.71	-0.11	-2.25	16.47	20.08	3.61
School Break	315.06	427.16	3.04	2.66	-0.37	-12.29	9.57	11.38	1.81
Foster care	308.75	716.25	2.46	3.86	1.40	56.86	7.59	27.62	20.03
Child Care Food	292.02	479.03	4.93	4.02	-0.91	-18.45	14.39	19.25	4.86
Senior Com. Ser	271.93	324.51	4.05	4.10	0.06	1.47	11.00	13.32	2.32
Interstate Sub	256.20	543.89	48.44	10.96	-37.48	-77.37	124.10	59.62	-64.48
Migrant Ed	256.05	258.46	0.71	0.75	0.04	5.56	1.83	1.95	0.12
Older Am Support	246.04	271.30	4.82	4.71	-0.11	-2.35	11.86	12.77	0.91
Schools & Roads	231.29	317.97	0.04	0.03	-0.01	-34.53	0.10	0.09	-0.01
Airport Imp: P	219.74	881.76	4.56	4.73	0.17	3.64	10.02	41.67	31.65
Rail Highway	185.36	155.76	5.42	5.12	-0.30	-5.53	10.04	7.97	-2.07
Wap	174.98	157.88	6.02	6.11	0.08	1.37	10.54	9.64	-0.90
Wat&Waste Disp	172.14	91.67	3.28	3.04	-0.24	-7.27	5.65	2.79	-2.86
Dislocated Wor	163.40	219.25	6.65	7.20	0.54	8.19	10.87	15.78	4.91
State &Com. High	162.31	102.51	4.88	4.58	-0.30	-6.24	7.92	4.69	-3.23
Child Welfare	157.67	232.34	4.43	4.46	0.03	0.58	6.99	10.36	3.37
UMTA: Small	155.09	142.59	4.24	5.15	0.92	21.68	6.57	7.35	0.78
Ed of Handi Child	144.08	149.80	14.28	14.85	0.57	3.99	20.57	22.24	1.67
Hazard Elim	143.54	163.11	4.88	4.57	-0.30	-6.22	7.00	7.46	0.46
Comm. Ser BG	130.10	388.29	8.76	5.17	-3.60	-41.04	11.40	20.06	8.66
Summer Food Child	101.98	110.14	3.08	4.35	1.27	41.25	3.14	4.79	1.65
Adult Ed	97.22	111.98	5.15	4.68	-0.47	-9.20	5.01	5.24	0.23
Ag. Exper. Stat	91.58	107.53	3.37	3.45	0.08	2.26	3.09	3.71	0.62
Food Dist: Elderly	85.74	129.93	3.60	3.48	-0.13	-3.47	3.09	4.52	1.43
Airport Impr:S	32.22	149.57	3.32	3.30	-0.02	-0.75	1.07	4.93	3.86
Total/Weighted Avg.	72,868.47	89,157.27	5.05	4.11	-0.95	-18.71	3,681.46	3,661.50	-19.96

Table 2

Total Awards, Illinois' Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real (1982) Dollars

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Medicaid	18,424.99	24,976.50	868.11	838.84	35.56	-3.37
AFDC	7,355.04	8,206.80	414.71	360.92	11.58	-12.97
General Revenue	5,441.70	--	268.95	--	--	--
Const. Grants	4,063.61	1,461.72	315.80	68.01	-64.03	-78.46
Interstate Const.	3,768.10	1,878.59	51.75	10.75	-50.14	-79.22
Ed. Depr. Child	3,127.53	3,400.90	148.02	167.19	8.74	12.95
CDBG: Large	2,760.94	1,578.16	195.00	102.02	-42.84	-47.68
S.S. Block Grnt	2,396.17	2,140.77	91.97	101.01	-10.66	9.83
School Lunch	2,432.42	2,282.52	100.47	97.76	-6.16	-2.70
JTPA II-A	1,690.59	1,360.06	97.45	79.40	-19.55	-18.52
LIHEAP	1,848.82	1,101.35	107.94	63.97	-40.43	-40.73
Primary System	1,717.60	1,814.03	70.35	71.72	5.61	1.95
UMTA: Large	1,360.80	1,142.74	114.96	99.89	-16.02	-13.11
Bridge Rep. Reh.	980.65	1,091.63	78.71	31.99	11.32	-59.35
WIC	960.22	1,399.70	37.66	59.15	45.77	57.04
Food Dist.: Child	955.21	742.15	34.42	29.52	-22.30	-14.22
CDBG: Small	933.70	656.24	34.35	22.88	-29.72	-33.41
Ed. of Hand	908.01	1,106.78	52.71	55.61	21.89	5.49
Rehab. services	863.41	1,063.54	32.92	41.87	20.39	27.17
Interstate 4R	750.78	1,964.41	29.33	70.57	161.65	140.62
JTPA IIB	823.93	553.73	45.92	31.49	-32.79	-31.43
Urban System	818.96	576.16	49.26	32.00	-29.65	-35.03
Emp. Ser. Admin	666.75	588.13	31.24	27.40	-11.79	-12.30
UnEm Ins	727.81	1,122.78	37.68	57.58	54.27	52.81
Head Start	725.65	844.91	42.29	48.00	16.43	13.49
Voc Ed	713.37	651.73	31.56	29.04	-8.64	-7.98
School Assist	660.02	525.13	14.73	9.88	-20.44	-32.91
Rural Secondary	615.33	463.38	18.89	13.64	-24.69	-27.81
Improv School P	421.29	381.88	20.56	18.13	-9.35	-11.79
Alco.Drug, MH	420.18	393.20	16.25	15.79	-6.42	-2.81
Child Support Enf	416.72	630.12	11.63	21.48	51.21	84.71
Refugee Assist	385.24	238.50	17.99	8.23	-38.09	-54.23
UDAG	377.59	154.63	9.13	3.60	-59.05	-60.57
Maternal Child Healt	371.28	357.50	15.30	14.94	-3.71	-2.35
Win	368.77	75.43	18.59	3.76	-79.55	-79.80
Older Am: Nutr	362.49	340.14	17.46	16.01	-6.17	-8.28
School Break	333.96	362.92	10.14	9.67	8.67	-4.69
Foster care	327.28	608.54	8.05	23.47	85.94	191.68
Child Care Food	309.54	406.99	15.25	16.36	31.48	7.22
Senior Com. Ser	288.25	266.65	11.66	10.94	-7.49	-6.13
Interstate Sub	246.58	421.95	119.44	46.25	71.12	-61.28
Migrant Ed	271.41	212.37	1.94	1.60	-21.75	-17.40
Older Am Support	260.80	216.35	12.57	10.18	-17.05	-19.00

Table 2

Total Awards, Illinois' Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real (1982) Dollars (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Schools & Roads	245.17	261.27	0.11	0.07	6.57	0.00
Airport Imp: P	219.74	724.54	10.02	34.24	229.72	241.72
Rail Highway	196.48	124.21	10.64	6.36	-36.78	-40.28
Wap	185.48	129.73	11.17	7.92	-30.06	-29.10
Wat&Waste Disp	182.47	75.32	5.99	2.29	-58.72	-61.72
Dislocated Wor	151.72	174.84	10.09	12.58	15.24	24.68
State &Com. High	172.05	84.23	8.40	3.85	-51.04	-54.10
Child Welfare	167.13	190.91	7.41	8.51	14.23	14.89
UMTA: Small	164.40	113.71	6.96	5.86	-30.83	-15.84
Ed of Handi Child	152.72	123.09	21.80	18.27	-19.40	-16.19
Hazard Elim	152.15	130.07	7.42	5.95	-14.51	-19.83
Comm. Ser BG	130.10	319.06	11.40	16.48	145.24	44.59
Summer Food Child	108.10	93.58	3.33	4.07	-13.43	22.27
Adult Ed	103.05	89.30	5.31	4.18	-13.35	-21.32
Ag. Exper. Stat	97.07	88.36	3.28	3.05	-8.98	-6.93
Food Dist: Elderly	90.88	110.39	3.28	3.84	21.46	17.25
Airport Impr:S	34.15	122.90	1.13	4.05	259.85	257.16
Total/Weighted Avg.	76,226.36	72,717.24	3,850.85	2,984.11	-4.60	-22.51

Federal Grant Program Spending:

Indiana

1981 - 1988

Diane DeVaul

Northeast-Midwest Institute
The Center for Regional Policy
218 D Street, S.E.
Washington, D.C. 20003

October 1989

Grants-in-aid to state and local governments constitute one of the four major federal spending categories. (The other three are procurement, salaries and wages, and direct payments to individuals.) Indiana's share of the total amount of federal grants to state and local governments fell from 1.85 percent to 1.78 percent between fiscal 1981 and fiscal 1988. Two criteria often are used to compare states' performance in receipt of grant funds: relative tax burden and population. Indiana's tax burden--its payment of federal revenues--fell from 2.45 percent to 1.99 percent during this period, and its population fell from 2.39 to 2.25 of the U.S. total. Figure 1 compares Indiana's population and tax burden to its receipt of grants in all federal programs and the 60 largest programs.

A recent report published by the Northeast-Midwest Institute, Federal Funding Formulas and State Allocations: What Share for the Northeast and Midwest? examines 56 programs that awarded grants over $100 million in fiscal 1981, plus four others that reached $100 million by fiscal 1988. Grants to Indiana in these programs increased in nominal dollars from $1,353.7 million (1.86 percent of the total) to $1,713.0 million (1.92 percent) during the period studied. Table 1 presents the amount Indiana received in these 60 programs and its share relative to other states. The programs are listed in descending order of dollar amounts awarded in fiscal 1981 or the first year of program operation. Awards in the "first" year are compared to those in the "last" year--the latest fiscal year for which state-by-state allocations are available from government agencies; years range from fiscal 1987 to fiscal 1990. Table 2 presents similar information in 1982 (real) dollars. It shows that Indiana's funding dropped 1.12 percent, from $1,412.8 million to $1,397.0 million, compared to a 4.6 percent decline for grant programs nationally.

Although the state's receipts fell in real dollars for about two-thirds of the grant programs, the slight overall increase came from a substantial gain in the Medicaid program and lesser gains in the Interstate 4R program, the Primary Airport Improvement program, Aid to Families with Dependent Children, and Educationally Deprived Children programs. Indiana's percentage share of funding increased considerably in the Primary Airport Improvement program and in the Bridge Replacement and Rehabilitation and Interstate Substitution programs. The state also benefited from a large increase nationally in the Medicaid program.

Programs Gaining the Most in Funding for Indiana

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Medicaid	0.54	380.14	244.02
2. Interstate 4R	-0.39	36.14	24.22
3. Airport Improvement: Primary	2.80	33.29	26.85
4. AFDC	-0.04	32.87	7.16
5. Educ. Deprived Children	0.21	24.79	10.80

Programs Losing the Most in Funding for Indiana

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Const. Grants (wastewater)	-0.47	-67.75	-83.75
2. Interstate Construction	-0.95	-43.46	-46.57
3. JTPA IIA	-0.64	-13.94	-17.25
4. UDAG	-3.19	-12.56	-13.63
5. LIHEAP	-0.01	-9.78	-19.91

Programs in which Indiana's Share Increased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. Airport Improvmt.: Primary	1.30	4.10	2.80	216.01	33.29
2. Bridge Repl./Rehab.	0.91	1.77	0.86	95.17	15.82
3. Interstate Sub.	0.12	0.70	0.58	498.23	3.51
4. Medicaid	1.65	2.19	0.54	32.99	380.14
5. Ed. of Handi. Children	2.35	2.85	0.50	21.15	0.88

Programs in which Indiana's Share Decreased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. UDAG	3.90	0.72	-3.19	-81.63	-12.56
2. Comm. Serv. Block Grant	3.50	1.59	-1.91	-54.59	1.62
3. Dislocated Workers	2.94	1.98	-0.96	-32.76	-0.47
4. Interstate Const.	1.52	0.57	-0.95	-62.37	-43.46
5. Summer Food Child	1.98	1.23	-0.76	-38.12	-0.67

With politicians reluctant to consider tax increases or entitlement and military reductions, competition for domestic discretionary program funds--social and economic development initiatives of interest to states and communities--has become fierce. Recent decisions made by Congress and the administration--bailing out insolvent savings and loan institutions, cleaning up the Department of Energy's nuclear facilities, promoting NASA's $30-billion space station, and building the superconducting supercollider--will divert many of these scarce federal dollars away from Indiana and toward states in the South and West. Indiana taxpayers, for example, will pay an estimated $533 million for the 1988 savings and loan bail-out actions, although the state institutions that failed will require only $145 million.

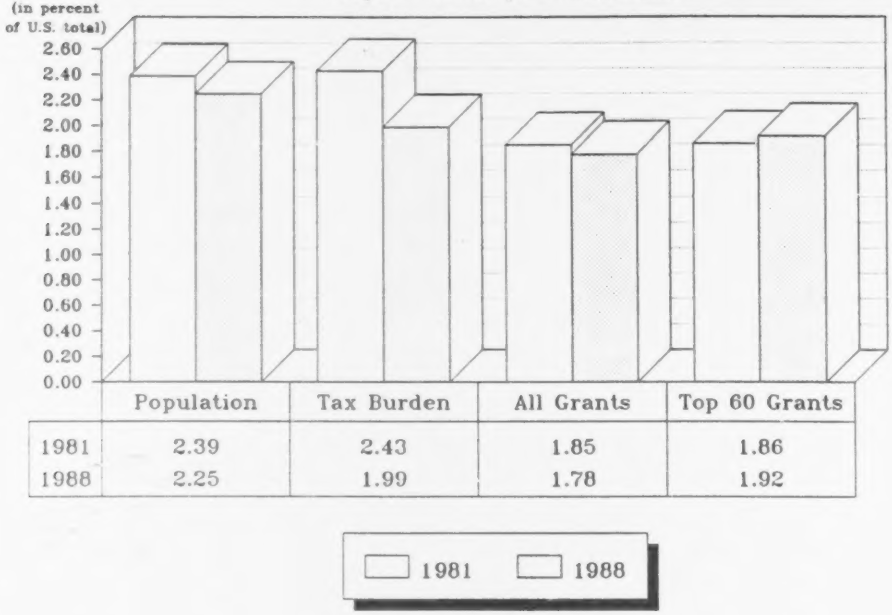
Two factors will continue to affect Indiana's receipt of grant program funds: increases or cuts in overall appropriations. and gains or losses in the state's share of total funds allocated. The 1990 census may well hurt Indiana on both of these factors. The Northeast-Midwest region probably will lose 14 seats in the House of Representatives. This loss of political influence will diminish the ability of members from these states to set funding priorities and defend programs of particular benefit to the region from spending cuts.

In addition, funds for 39 of the 60 major grant programs studied are allocated in part on the basis of population. Some formulas consider the entire population while others target specific sectors, such as school-age children, older Americans, the unemployed, or those living in poverty. Some grant programs use annual population estimates to adjust the allocations. In those cases, estimated population loss accounts for some of the observed decline in Indiana's share of funding in these programs. Twenty major programs, however, use decennial census population factors in their formulas. Because Indiana has not kept pace with the national growth in population, falling from 2.39 percent in 1981 to an estimated 2.22 percent by 1990, the state can expect that use of the 1990 census numbers, which take effect in 1992, will reduce its receipt of funds.

Many grant formulas work against the interests of Indiana and other states in the Northeast-Midwest region by underestimating the need for federal assistance, overestimating fiscal (tax-raising) capacity, and underestimating the costs of service responsibilities. For lawmakers interested in promoting more equitable patterns of funding, many opportunities exist to target federal grants more precisely to the people and places in greatest need. Many grant formulas were fashioned years ago when Congress was less concerned with budget deficits. As a result, formulas frequently contain crude and inaccurate factors approximating states' needs and their ability to meet those needs. Congress can correct these distortions when it reauthorizes the grant programs.

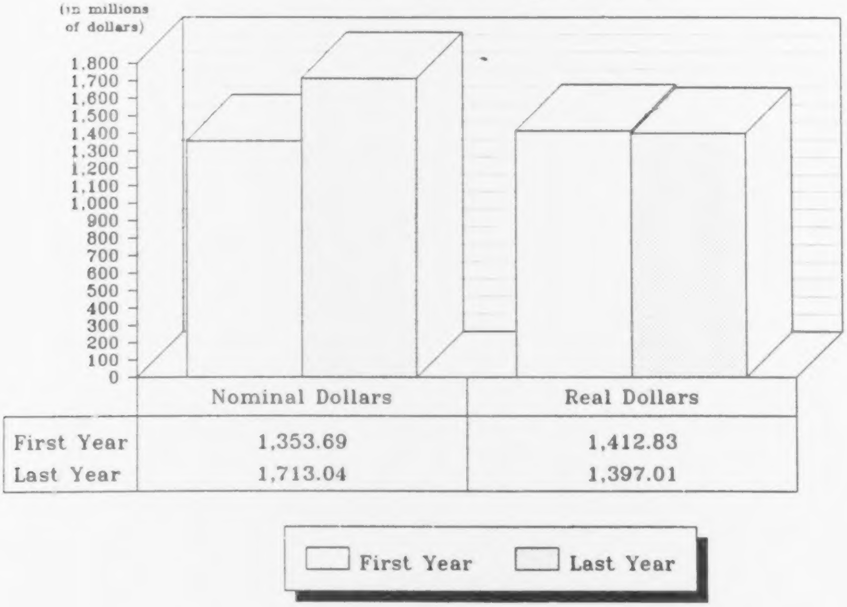
Indiana

Figure 1. State Population and Tax Burden Compared to Receipt of Grant Funds



	Population	Tax Burden	All Grants	Top 60 Grants
1981	2.39	2.43	1.85	1.86
1988	2.25	1.99	1.78	1.92

Figure 2. Total State Federal Funding for 60 Largest Grants



	Nominal Dollars	Real Dollars
First Year	1,353.69	1,412.83
Last Year	1,713.04	1,397.01

Table 1

Total Awards, Indiana's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Medicaid	17,382.07	30,396.40	1.65	2.19	0.54	32.99	286.76	666.90	380.14
AFDC	6,938.72	9,987.67	1.20	1.16	-0.04	-3.10	83.27	116.14	32.87
General Revenue	5,133.68	--	1.94	0.00	-1.94	-100.00	99.59	0.00	-99.59
Const. Grants	3,833.59	1,833.00	2.95	2.48	-0.47	-16.03	113.20	45.45	-67.75
Interstate Const.	3,768.10	2,421.50	1.52	0.57	-0.95	-62.37	57.32	13.86	-43.46
Ed. Depr. Child	2,950.50	4,138.90	1.36	1.57	0.21	15.27	40.18	64.97	24.79
CDBG: Large	2,604.66	1,920.62	1.55	1.63	0.08	5.07	40.45	31.34	-9.11
S.S. Block Grnt	2,489.62	2,684.53	2.15	2.25	0.10	4.62	53.61	60.48	6.87
School Lunch	2,294.74	2,686.53	1.75	1.67	-0.08	-4.60	40.12	44.81	4.69
JTPA II-A	1,820.77	1,705.52	2.57	1.93	-0.64	-25.01	46.84	32.90	-13.94
LIHEAP	1,744.17	1,381.09	2.64	2.63	-0.01	-0.50	46.10	36.32	-9.78
Primary System	1,620.38	2,274.79	2.33	2.31	-0.01	-0.55	37.71	52.65	14.94
UMTA: Large	1,283.77	1,433.00	1.47	1.53	0.06	4.18	18.85	21.92	3.07
Bridge Rep. Reh.	925.14	1,368.91	0.91	1.77	0.86	95.17	8.38	24.20	15.82
WIC	905.87	1,703.44	1.55	2.02	0.47	30.36	14.07	34.41	20.34
Food Dist.: Child	901.14	873.51	2.65	2.15	-0.50	-18.84	23.91	18.81	-5.10
CDBG: Small	880.85	798.65	2.98	3.04	0.06	2.10	26.26	24.31	-1.95
Ed. of Hand	856.61	1,387.90	2.44	2.36	-0.08	-3.32	20.90	32.74	11.84
Rehab. services	833.41	1,251.79	2.28	2.61	0.33	14.51	19.00	32.68	13.68
Interstate 4R	780.06	2,532.12	2.62	2.24	-0.39	-14.80	20.47	56.61	36.14
JTPA IIB	777.29	673.89	2.64	2.02	-0.62	-23.46	20.54	13.63	-6.91
Urban System	772.60	722.51	2.15	2.01	-0.14	-6.51	16.62	14.53	-2.09
Emp. Ser. Admin	718.09	737.51	2.14	2.06	-0.08	-3.84	15.36	15.17	-0.19
UnEm Ins	686.61	1,407.97	1.61	1.47	-0.14	-8.73	11.05	20.68	9.63
Head Start	684.58	1,059.52	1.49	1.60	0.11	7.62	10.20	16.99	6.79
Voc Ed	672.99	793.16	2.54	2.55	0.01	0.33	17.10	20.22	3.12
School Assist	622.66	639.08	0.45	0.30	-0.16	-34.59	2.83	1.90	-0.93
Rural Secondary	580.50	581.08	2.39	2.37	-0.02	-0.75	13.89	13.80	-0.09
Improv School P	437.72	464.75	2.44	2.37	-0.07	-2.99	10.68	11.00	0.32
Alco.Drug, MH	420.18	478.52	4.31	4.08	-0.23	-5.41	18.12	19.52	1.40
Child Support Enf	393.13	741.65	1.17	1.09	-0.08	-6.98	4.61	8.09	3.48

Table 1

Total Awards, Indiana's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Refugee Assist	363.43	290.26	0.13	0.12	-0.01	-4.10	0.47	0.36	-0.11
UDAG	356.22	188.19	3.90	0.72	-3.19	-81.63	13.91	1.35	-12.56
Maternal Child Health	350.26	448.30	2.40	2.35	-0.05	-1.94	8.39	10.53	2.14
Win	347.90	91.80	1.36	1.31	-0.06	-4.06	4.74	1.20	-3.54
Older Am: Nutr	341.97	426.53	2.23	2.20	-0.03	-1.44	7.63	9.38	1.75
School Break	315.06	427.16	0.93	0.79	-0.14	-14.92	2.93	3.38	0.45
Foster care	308.75	716.25	0.34	0.18	-0.16	-47.86	1.05	1.27	0.22
Child Care Food	292.02	479.03	1.63	1.45	-0.18	-11.31	4.77	6.94	2.17
Senior Com. Ser	271.93	324.51	2.66	2.66	0.00	0.00	7.24	8.64	1.40
Interstate Sub	256.20	543.89	0.12	0.70	0.58	498.23	0.30	3.81	3.51
Migrant Ed	256.05	258.46	0.40	0.24	-0.16	-40.37	1.03	0.62	-0.41
Older Am Support	246.04	271.30	2.25	2.20	-0.05	-2.27	5.54	5.97	0.43
Schools & Roads	231.29	317.97	0.05	0.02	-0.03	-57.57	0.12	0.07	-0.05
Airport Imp: P	219.74	881.76	1.30	4.10	2.80	216.01	2.85	36.14	33.29
Rail Highway	185.36	155.76	3.48	3.19	-0.29	-8.30	6.45	4.97	-1.48
Wap	174.98	157.88	2.86	2.87	0.01	0.41	5.00	4.53	-0.47
Wat&Waste Disp	172.14	91.67	2.61	2.88	0.27	10.17	4.50	2.64	-1.86
Dislocated Wor	163.40	219.25	2.94	1.98	-0.96	-32.76	4.81	4.34	-0.47
State &Com. High	162.31	102.51	2.47	2.37	-0.10	-4.05	4.01	2.43	-1.58
Child Welfare	157.67	232.34	2.59	2.55	-0.04	-1.61	4.09	5.93	1.84
UMTA: Small	155.09	142.59	2.91	3.18	0.27	9.25	4.51	4.53	0.02
Ed of Handi Child	144.08	149.80	2.35	2.85	0.50	21.15	3.39	4.27	0.88
Hazard Elim	143.54	163.11	2.47	2.37	-0.11	-4.31	3.55	3.86	0.31
Comm. Ser BG	130.10	388.29	3.50	1.59	-1.91	-54.59	4.56	6.18	1.62
Summer Food Child	101.98	110.14	1.98	1.23	-0.76	-38.12	2.02	1.35	-0.67
Adult Ed	97.22	111.98	2.46	2.35	-0.11	-4.46	2.39	2.63	0.24
Ag. Exper. Stat	91.58	107.53	3.07	3.15	0.08	2.75	2.81	3.39	0.58
Food Dist: Elderly	85.74	129.93	2.44	2.12	-0.31	-12.86	2.09	2.76	0.67
Airport Impr:S	32.22	149.57	1.71	1.70	-0.01	-0.52	0.55	2.54	1.99
Total/Weighted Avg.	**72.868.47**	**89.157.27**	**1.86**	**1.92**	**0.06**	**3.43**	**1.353.69**	**1.713.04**	**359.35**

Table 2

Total Awards, Indiana's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real (1982) Dollars

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Medicaid	18,424.99	24,976.50	303.97	547.99	35.56	80.28
AFDC	7,355.04	8,206.80	88.27	95.43	11.58	8.12
General Revenue	5,441.70	--	105.57	--	--	--
Const. Grants	4,063.61	1,461.72	119.99	36.24	-64.03	-69.79
Interstate Const.	3,768.10	1,878.59	57.32	10.75	-50.14	-81.24
Ed. Depr. Child	3,127.53	3,400.90	42.59	53.39	8.74	25.34
CDBG: Large	2,760.94	1,578.16	42.88	25.75	-42.84	-39.94
S.S. Block Grnt	2,396.17	2,140.77	51.60	48.23	-10.66	-6.53
School Lunch	2,432.42	2,282.52	42.53	38.07	-6.16	-10.48
JTPA II-A	1,690.59	1,360.06	43.49	26.24	-19.55	-39.68
LIHEAP	1,848.82	1,101.35	48.87	28.96	-40.43	-40.73
Primary System	1,717.60	1,814.03	39.97	41.99	5.61	5.04
UMTA: Large	1,360.80	1,142.74	19.98	17.48	-16.02	-12.52
Bridge Rep. Reh.	980.65	1,091.63	8.88	19.30	11.32	117.25
WIC	960.22	1,399.70	14.91	28.27	45.77	89.58
Food Dist.: Child	955.21	742.15	25.34	15.98	-22.30	-36.94
CDBG: Small	933.70	656.24	27.84	19.98	-29.72	-28.24
Ed. of Hand	908.01	1,106.78	22.15	26.11	21.89	17.85
Rehab. services	883.41	1,063.54	20.14	27.77	20.39	37.86
Interstate 4R	750.78	1,964.41	19.70	43.92	161.65	122.91
JTPA IIB	823.93	553.73	21.77	11.20	-32.79	-48.56
Urban System	818.96	576.16	17.62	11.59	-29.65	-34.23
Emp. Ser. Admin	666.75	588.13	14.26	12.10	-11.79	-15.18
UnEm Ins	727.81	1,122.78	11.71	16.49	54.27	40.79
Head Start	725.65	844.91	10.81	13.55	16.43	25.31
Voc Ed	713.37	651.73	18.13	16.61	-8.64	-8.34
School Assist	660.02	525.13	3.00	1.56	-20.44	-47.96
Rural Secondary	615.33	463.38	14.72	11.00	-24.69	-25.26
Improv School P	421.29	381.88	10.28	9.04	-9.35	-12.07
Alco,Drug, MH	420.18	393.20	18.12	16.04	-6.42	-11.48
Child Support Enf	416.72	630.12	4.89	6.87	51.21	40.66
Refugee Assist	385.24	238.50	0.50	0.30	-38.09	-40.62
UDAG	377.59	154.63	14.74	1.11	-59.05	-92.48
Maternal Child Healt	371.28	357.50	8.89	8.40	-3.71	-5.58
Win	368.77	75.43	5.02	0.99	-79.55	-80.38
Older Am: Nutr	362.49	340.14	8.09	7.48	-6.17	-7.51
School Break	333.96	362.92	3.11	2.87	8.67	-7.54
Foster care	327.28	608.54	1.11	1.08	85.94	-3.05
Child Care Food	309.54	406.99	5.06	5.90	31.48	16.62
Senior Com. Ser	288.25	266.65	7.67	7.10	-7.49	-7.49
Interstate Sub	246.58	421.95	0.29	2.96	71.12	923.69
Migrant Ed	271.41	212.37	1.09	0.51	-21.75	-53.34
Older Am Support	260.80	216.35	5.87	4.76	-17.05	-18.93

Table 2

Total Awards, Indiana's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real (1982) Dollars (continued)

	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
Program Name	(in millions of real dollars)				(in percent)	
Schools & Roads	245.17	261.27	0.13	0.06	6.57	0.00
Airport Imp: P	219.74	724.54	2.85	29.70	229.72	941.96
Rail Highway	196.48	124.21	6.84	3.96	-36.78	-42.03
Wap	185.48	129.73	5.30	3.72	-30.06	-29.77
Wat&Waste Disp	182.47	75.32	4.77	2.17	-58.72	-54.52
Dislocated Wor	151.72	174.84	4.47	3.46	15.24	-22.51
State &Com. High	172.05	84.23	4.25	2.00	-51.04	-53.03
Child Welfare	167.13	190.91	4.34	4.87	14.23	12.39
UMTA: Small	164.40	113.71	4.78	3.61	-30.83	-24.44
Ed of Handi Child	152.72	123.09	3.59	3.51	-19.40	-2.36
Hazard Elim	152.15	130.07	3.76	3.08	-14.51	-18.20
Comm. Ser BG	130.10	319.06	4.56	5.08	145.24	11.36
Summer Food Child	108.10	93.58	2.14	1.15	-13.43	-46.43
Adult Ed	103.05	89.30	2.53	2.10	-13.35	-17.21
Ag. Exper. Stat	97.07	88.36	2.98	2.79	-8.98	-6.48
Food Dist: Elderly	90.88	110.39	2.22	2.34	21.46	5.85
Airport Impr:S	34.15	122.90	0.58	2.09	259.85	257.99
Total/Weighted Avg.	76,226.36	72,717.24	1,412.83	1,397.01	-4.60	-1.12

Federal Grant Program Spending:

Iowa

1981 - 1988

Diane DeVaul

Northeast-Midwest Institute
The Center for Regional Policy
218 D Street, S.E.
Washington, D.C. 20003

October 1989

Grants-in-aid to state and local governments constitute one of the four major federal spending categories. (The other three are procurement, salaries and wages, and direct payments to individuals.) Iowa's share of the total amount of federal grants to state and local governments rose from 1.03 percent to 1.09 percent between fiscal 1981 and fiscal 1988. Two criteria often are used to compare states' performance in receipt of grant funds: relative tax burden and population. Iowa's tax burden--its payment of federal revenues--fell from 1.27 percent to 0.97 percent during this period, and its population fell from 1.27 to 1.14 percent of the U.S. total. Figure 1 compares Iowa's population and tax burden to its receipt of grants in all federal programs and the 60 largest programs.

A recent report published by the Northeast-Midwest Institute, Federal Funding Formulas and State Allocations: What Share for the Northeast and Midwest? examines 56 programs that awarded grants over $100 million in fiscal 1981, plus four others that reached $100 million by fiscal 1988. Iowa's funding in these programs increased in nominal dollars from $840.3 million to $970.4 million, but its percentage share fell from 1.15 to 1.09 during the period studied. Table 1 presents the amount Iowa received in these 60 programs and its share relative to other states. The programs are listed in descending order of dollar amounts awarded in fiscal 1981 (or the first year of program operation). Awards in the "first" year are compared to those in the "last" year--the latest fiscal year for which state-by-state allocations are available from government agencies; years range from fiscal 1987 to fiscal 1990. Table 2 presents similar information in 1982 (real) dollars. It shows that Iowa's funding dropped 10.0 percent, from $877.9 million to $789.9 million, compared to a 4.6 percent decline for grant programs nationally.

The state's receipts fell in real dollars for about two-thirds of the grant programs. Those that increased in funding include: Medicaid, the Interstate 4R and Substitution programs, and the Supplemental Food Program for Women, Infants and Children. These increases were not enough to offset losses in other programs, especially in the Interstate Construction and Construction Grants for Wastewater Treatment programs. Substantial increases in Iowa's share of funding in the Interstate Substitution and Refugee Assistance programs helped offset lost shares of other programs, including Urban Development Action Grants and Community Service Block Grants. Large increases nationally in the Medicaid program helped all states.

Programs Gaining the Most in Funding for Iowa

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Medicaid	0.08	147.21	81.49
2. Interstate 4R	-0.01	25.18	17.42
3. Interstate Substitution	1.68	16.00	11.28
4. AFDC	-0.25	12.26	-9.94
5. WIC	0.02	8.26	4.63

Programs Losing the Most in Funding for Iowa

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Interstate Construction	-0.72	-34.88	-37.99
2. Const. Grants (wastewater)	0.14	-22.40	-30.45
3. CDBG: Large Cities	-0.04	-5.06	-8.06
4. UDAG	-0.98	-4.39	-4.89
5. WIN	-0.02	-2.85	-3.26

Programs in which Iowa's Share Increased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. Interstate Substitution	2.38	4.06	1.68	70.66	16.00
2. Refugee Assistance	0.15	0.91	0.76	521.32	2.10
3. Food Dist. Children	1.46	1.81	0.35	24.17	2.68
4. Summer Food Children	0.23	0.56	0.34	149.59	0.39
5. Child Care Food	0.77	1.06	0.28	36.49	2.80

Programs in which Iowa's Share Decreased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. UDAG	1.51	0.53	-0.98	-64.88	-4.39
2. Comm. Serv. Block Grant	2.11	1.18	-0.92	-43.75	1.86
3. Interstate Const.	1.29	0.57	-0.72	-55.75	-34.88
4. Water & Waste Disp.	2.22	1.73	-0.48	-21.84	-2.23
5. Rail Highway	2.88	2.44	-0.44	-15.16	-1.53

With politicians reluctant to consider tax increases or entitlement and military reductions, competition for domestic discretionary program funds--social and economic development initiatives of interest to states and communities--has become fierce. Recent decisions made by Congress and the administration--cleaning up the Department of Energy's nuclear facilities, promoting NASA's $30-billion space station, and building the superconducting supercollider--will divert many of these scarce federal dollars away from Iowa and toward states in the South and West.

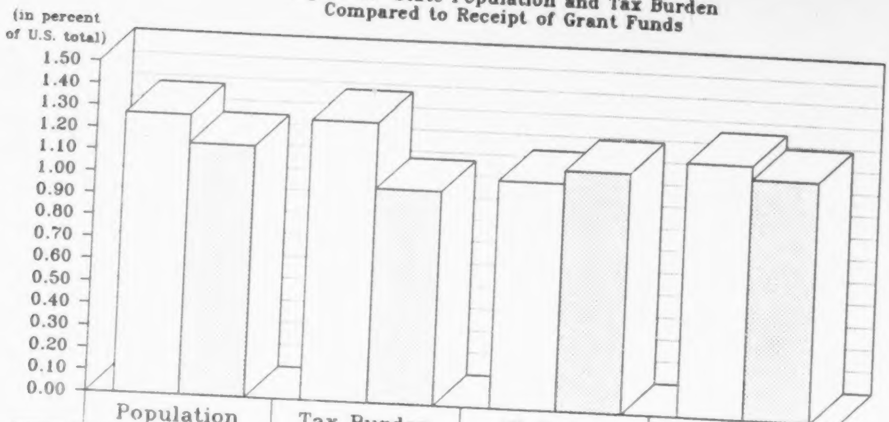
Two factors will continue to affect Iowa's receipt of grant program funds: increases or cuts in overall appropriations, and gains or losses in the state's share of total funds allocated. The 1990 census may hurt Iowa on both of these factors. The Northeast-Midwest region probably will lose 14 seats in the House of Representatives. Iowa probably will lose one. This loss of political influence will diminish the ability of members from these states to set funding priorities and defend programs of particular benefit to the region from spending cuts.

In addition, funds for 39 of the 60 major grant programs studied are allocated in part on the basis of population. Some formulas consider the entire population while others target specific sectors, such as school-age children, older Americans, the unemployed, or those living in poverty. Some grant programs use annual population estimates to adjust the allocations. In those cases, estimated population loss accounts for some of the observed decline in Iowa's share of funding in these programs. Twenty major programs, however, use decennial census population factors in their formulas. Because Iowa has not kept pace with the national growth in population, falling from 1.27 percent in 1981 to an estimated 1.10 percent by 1990, the state can expect that use of the census numbers, which take effect in 1992, will reduce its receipt of funds.

Many grant formulas work against the interests of Iowa and other states in the Northeast-Midwest region by underestimating the need for federal assistance, overestimating fiscal (tax-raising) capacity; and underestimating the cost of service responsibilities. For lawmakers interested in promoting more equitable patterns of funding, many opportunities exist to target federal grants more precisely to the people and places in greatest need. Many grant formulas were fashioned years ago when Congress was less concerned with budget deficits. As a result, formulas frequently contain crude and inaccurate factors approximating states' needs and their ability to meet those needs. Congress can correct these distortions when it reauthorizes the grant programs.

Iowa

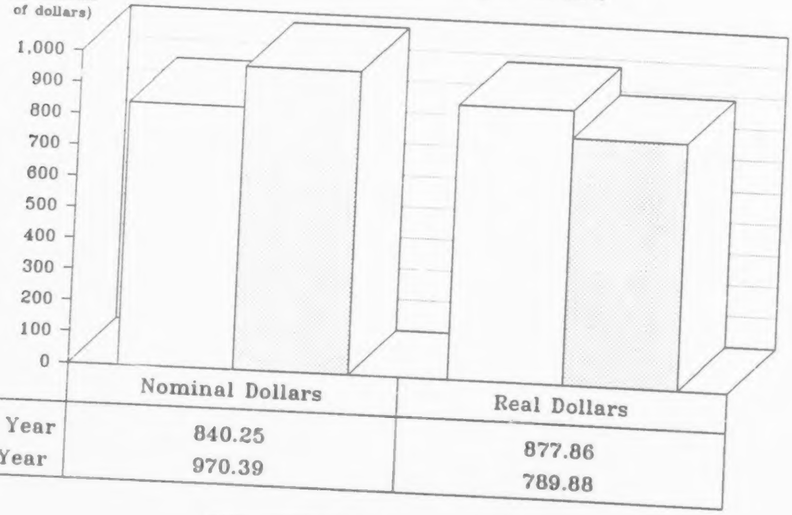
Figure 1. State Population and Tax Burden Compared to Receipt of Grant Funds



	Population	Tax Burden	All Grants	Top 60 Grants
1981	1.27	1.27	1.03	1.15
1988	1.14	0.97	1.09	1.09

☐ 1981 ▨ 1988

Figure 2. Total State Federal Funding for 60 Largest Grants



	Nominal Dollars	Real Dollars
First Year	840.25	877.86
Last Year	970.39	789.88

☐ First Year ▨ Last Year

Table 1

Total Awards, Iowa's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Medicaid	17,382.07	30,396.40	0.95	1.03	0.08	8.02	165.61	312.82	147.21
AFDC	6,938.72	9,987.67	1.21	0.96	-0.25	-20.38	83.98	96.24	12.26
General Revenue	5,133.68	--	1.27	0.00	-1.27	-100.00	65.17	0.00	-65.17
Const. Grants	3,833.59	1,833.00	1.25	1.39	0.14	11.38	47.92	25.52	-22.40
Interstate Const.	3,768.10	2,421.50	1.29	0.57	-0.72	-55.75	48.74	13.86	-34.88
Ed. Depr. Child	2,950.50	4,138.90	0.87	0.80	-0.07	-8.38	25.74	33.08	7.34
CDBG: Large	2,604.66	1,920.62	0.63	0.59	-0.04	-6.20	16.41	11.35	-5.06
S.S. Block Grnt	2,489.62	2,684.53	1.29	1.14	-0.15	-11.81	32.23	30.65	-1.58
School Lunch	2,294.74	2,686.53	1.01	1.12	0.10	10.32	23.22	29.99	6.77
JTPA II-A	1,820.77	1,705.52	1.04	1.01	-0.03	-2.84	18.91	17.21	-1.70
LIHEAP	1,744.17	1,381.09	1.62	1.86	0.25	15.40	28.17	25.74	-2.43
Primary System	1,620.38	2,274.79	1.89	1.53	-0.36	-19.02	30.69	34.89	4.20
UMTA: Large	1,283.77	1,433.00	0.28	0.45	0.17	62.06	3.56	6.44	2.88
Bridge Rep. Reh.	925.14	1,368.91	2.39	1.96	-0.43	-17.96	22.15	26.89	4.74
WIC	905.87	1,703.44	1.00	1.02	0.02	1.56	9.08	17.34	8.26
Food Dist.: Child	901.14	873.51	1.46	1.81	0.35	24.17	13.16	15.84	2.68
CDBG: Small	880.85	798.65	2.55	2.62	0.07	2.55	22.50	20.92	-1.58
Ed. of Hand	856.61	1,387.90	1.54	1.34	-0.20	-13.07	13.17	18.55	5.38
Rehab. services	833.41	1,251.79	1.22	1.21	-0.01	-0.69	10.19	15.20	5.01
Interstate 4R	780.06	2,532.12	1.45	1.44	-0.01	-0.49	11.29	36.47	25.18
JTPA IIB	777.29	673.89	0.98	0.97	-0.01	-0.94	7.58	6.51	-1.07
Urban System	772.60	722.51	0.98	0.92	-0.06	-6.31	7.59	6.65	-0.94
Emp. Ser. Admin	718.09	737.51	1.44	1.26	-0.18	-12.43	10.34	9.30	-1.04
UnEm Ins	686.61	1,407.97	0.97	0.91	-0.07	-6.84	6.69	12.78	6.09
Head Start	684.58	1,059.52	0.79	0.85	0.07	8.37	5.39	9.04	3.65
Voc Ed	672.99	793.16	1.35	1.27	-0.07	-5.52	9.07	10.10	1.03
School Assist	622.66	639.08	0.13	0.03	-0.09	-72.87	0.79	0.22	-0.57
Rural Secondary	580.50	581.08	2.34	2.15	-0.19	-8.04	13.59	12.51	-1.08
Improv School P	437.72	464.75	1.23	1.20	-0.03	-2.66	5.38	5.56	0.18
Alco,Drug. MH	420.18	478.52	0.48	0.59	0.11	22.85	2.03	2.84	0.81
Child Support Enf	393.13	741.65	1.11	0.78	-0.33	-29.49	4.36	5.80	1.44

Table 1

Total Awards, Iowa's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Refugee Assist	363.43	290.26	0.15	0.91	0.76	521.32	0.53	2.63	2.10
UDAG	356.22	188.19	1.51	0.53	-0.98	-64.88	5.39	1.00	-4.39
Maternal Child Health	350.26	448.30	1.40	1.35	-0.04	-3.18	4.89	6.06	1.17
Win	347.90	91.80	1.11	1.09	-0.02	-1.56	3.85	1.00	-2.85
Older Am: Nutr	341.97	426.53	1.46	1.39	-0.08	-5.23	5.00	5.91	0.91
School Break	315.06	427.16	0.33	0.37	0.04	10.64	1.04	1.56	0.52
Foster care	308.75	716.25	0.32	0.53	0.21	66.77	0.99	3.83	2.84
Child Care Food	292.02	479.03	0.77	1.06	0.28	36.49	2.26	5.06	2.80
Senior Com. Ser	271.93	324.51	1.32	1.33	0.00	0.37	3.59	4.30	0.71
Interstate Sub	256.20	543.89	2.38	4.06	1.68	70.66	6.10	22.10	16.00
Migrant Ed	256.05	258.46	0.09	0.03	-0.06	-66.98	0.24	0.08	-0.16
Older Am Support	246.04	271.30	1.46	1.39	-0.08	-5.28	3.60	3.76	0.16
Schools & Roads	231.29	317.97	0.00	0.00	0.00	--	0.00	0.00	0.00
Airport Imp: P	219.74	881.76	1.07	0.77	-0.31	-28.51	2.36	6.77	4.41
Rail Highway	185.36	155.76	2.88	2.44	-0.44	-15.16	5.33	3.80	-1.53
Wap	174.98	157.88	2.49	2.41	-0.07	-2.93	4.35	3.81	-0.54
Wat&Waste Disp	172.14	91.67	2.22	1.73	-0.48	-21.84	3.82	1.59	-2.23
Dislocated Wor	163.40	219.25	1.13	0.88	-0.25	-22.25	1.85	1.93	0.08
State &Com. High	162.31	102.51	1.74	1.67	-0.08	-4.33	2.83	1.71	-1.12
Child Welfare	157.67	232.34	1.36	1.29	-0.07	-5.18	2.14	2.99	0.85
UMTA: Small	155.09	142.59	2.04	1.77	-0.27	-13.26	3.16	2.52	-0.64
Ed of Handi Child	144.08	149.80	0,43	0.15	-0.28	-65.87	0.62	0.22	-0.40
Hazard Elim	143.54	163.11	1.75	1.67	-0.08	-4.64	2.51	2.72	0.21
Comm. Ser BG	130.10	388.29	2.11	1.18	-0.92	-43.75	2.74	4.60	1.86
Summer Food Child	101.98	110.14	0.23	0.56	0.34	149.59	0.23	0.62	0.39
Adult Ed	97.22	111.98	1.28	1.21	-0.07	-5.48	1.24	1.35	0.11
Ag. Exper. Stat	91.58	107.53	3.19	3.29	0.10	3.25	2.92	3.54	0.62
Food Dist: Elderly	85.74	129.93	1.77	1.94	0.17	9.40	1.52	2.52	1.00
Airport Impr:S	32.22	149.57	1.40	1.40	0.01	0.53	0.45	2.10	1.65
Total/Weighted Avg.	72,868.47	89,157.27	1.15	1.09	-0.06	-5.61	840.25	970.39	130.14

Table 2

Total Awards, Iowa's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real (1982) Dollars

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Medicaid	18,424.99	24,976.50	175.55	257.04	35.56	46.42
AFDC	7,355.04	8,206.80	89.02	79.08	11.58	-11.17
General Revenue	5,441.70	--	69.08	--	--	--
Const. Grants	4,063.61	1,461.72	50.80	20.35	-64.03	-59.94
Interstate Const.	3,768.10	1,878.59	48.74	10.75	-50.14	-77.94
Ed. Depr. Child	3,127.53	3,400.90	27.28	27.18	8.74	-0.38
CDBG: Large	2,760.94	1,578.16	17.39	9.33	-42.84	-46.38
S.S. Block Grnt	2,396.17	2,140.77	31.02	24.44	-10.66	-21.21
School Lunch	2,432.42	2,282.52	24.61	25.48	-6.16	3.52
JTPA II-A	1,690.59	1,360.06	17.56	13.72	-19.55	-21.84
LIHEAP	1,848.82	1,101.35	29.86	20.53	-40.43	-31.26
Primary System	1,717.60	1,814.03	32.53	27.82	5.61	-14.47
UMTA: Large	1,360.80	1,142.74	3.77	5.14	-16.02	36.09
Bridge Rep. Reh.	980.65	1,091.63	23.48	21.44	11.32	-8.67
WIC	960.22	1,399.70	9.62	14.25	45.77	48.04
Food Dist.: Child	955.21	742.15	13.95	13.46	-22.30	-3.52
CDBG: Small	933.70	656.24	23.85	17.19	-29.72	-27.93
Ed. of Hand	908.01	1,106.78	13.96	14.79	21.89	5.96
Rehab. services	883.41	1,063.54	10.80	12.91	20.39	19.56
Interstate 4R	750.78	1,964.41	10.87	28.29	161.65	160.38
JTPA IIB	823.93	553.73	8.03	5.35	-32.79	-33.42
Urban System	818.96	576.16	8.05	5.30	-29.65	-34.09
Emp. Ser. Admin	666.75	588.13	9.60	7.42	-11.79	-22.75
UnEm Ins	727.81	1,122.78	7.09	10.19	54.27	43.71
Head Start	725.65	844.91	5.71	7.21	16.43	26.18
Voc Ed	713.37	651.73	9.61	8.30	-8.64	-13.68
School Assist	660.02	525.13	0.84	0.18	-20.44	-78.41
Rural Secondary	615.33	463.38	14.41	9.98	-24.69	-30.75
Improv School P	421.29	381.88	5.18	4.57	-9.35	-11.77
Alco,Drug, MH	420.18	393.20	2.03	2.33	-6.42	14.96
Child Support Enf	416.72	630.12	4.62	4.93	51.21	6.63
Refugee Assist	385.24	238.50	0.56	2.16	-38.09	284.67
UDAG	377.59	154.63	5.71	0.82	-59.05	-85.62
Maternal Child Healt	371.28	357.50	5.18	4.83	-3.71	-6.77
Win	368.77	75.43	4.08	0.82	-79.55	-79.87
Older Am: Nutr	362.49	340.14	5.30	4.71	-6.17	-11.08
School Break	333.96	362.92	1.10	1.33	8.67	20.23
Foster care	327.28	608.54	1.05	3.25	85.94	210.09
Child Care Food	309.54	406.99	2.40	4.30	31.48	79.46
Senior Com. Ser	288.25	266.65	3.81	3.53	-7.49	-7.15
Interstate Sub	246.58	421.95	5.87	17.15	71.12	192.03
Migrant Ed	271.41	212.37	0.25	0.07	-21.75	-74.16
Older Am Support	260.80	216.35	3.82	3.00	-17.05	-21.43

Table 2

Total Awards, Iowa's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real (1982) Dollars (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Schools & Roads	245.17	261.27	0.00	0.00	6.57	0.00
Airport Imp: P	219.74	724.54	2.36	5.56	229.72	135.71
Rail Highway	196.48	124.21	5.65	3.03	-36.78	-46.36
Wap	185.48	129.73	4.61	3.13	-30.06	-32.10
Wat&Waste Disp	182.47	75.32	4.05	1.31	-58.72	-67.73
Dislocated Wor	151.72	174.84	1.72	1.54	15.24	-10.40
State &Com. High	172.05	84.23	3.00	1.41	-51.04	-53.16
Child Welfare	167.13	190.91	2.27	2.46	14.23	8.31
UMTA: Small	164.40	113.71	3.35	2.01	-30.83	-40.01
Ed of Handi Child	152.72	123.09	0.66	0.18	-19.40	-72.49
Hazard Elim	152.15	130.07	2.66	2.17	-14.51	-18.47
Comm. Ser BG	130.10	319.06	2.74	3.78	145.24	37.95
Summer Food Child	108.10	93.58	0.24	0.53	-13.43	116.06
Adult Ed	103.05	89.30	1.31	1.08	-13.35	-18.10
Ag. Exper. Stat	97.07	88.36	3.10	2.91	-8.98	-6.02
Food Dist: Elderly	90.88	110.39	1.61	2.14	21.46	32.88
Airport Impr:S	34.15	122.90	0.48	1.73	259.85	261.75
Total/Weighted Avg.	76,226.36	72,717.24	877.86	789.88	-4.60	-10.02

Federal Grant Program Spending:

Maine

1981 - 1988

Diane DeVaul

Northeast-Midwest Institute
The Center for Regional Policy
218 D Street, S.E.
Washington, D.C. 20003

October 1989

Grants-in-aid to state and local governments constitute one of the four major federal spending categories. (The other three are procurement, salaries and wages, and direct payments to individuals.) Maine's share of the total amount of federal grants to state and local governments rose from 0.57 percent to 0.61 percent between fiscal 1981 and fiscal 1988. Two criteria often are used to compare states' performance in receipt of grant funds: relative tax burden and population. Maine's tax burden--its payment of federal revenues--rose from 0.37 percent to 0.42 percent during this period, while its population remained stable at 0.49. Figure 1 compares Maine's population and tax burden to its receipt of grants in all federal programs and the 60 largest programs.

A recent report published by the Northeast-Midwest Institute, Federal Funding Formulas and State Allocations: What Share for the Northeast and Midwest? examines 56 programs that awarded grants over $100 million in fiscal 1981, plus four others that reached $100 million by fiscal 1988. Grants to Maine in these programs increased in nominal dollars from $444.4 million (0.61 percent of the total) to $543.6 million (0.61 percent) during the period studied. Table 1 presents the amount Maine received in these 60 programs and its share relative to other states. The programs are listed in descending order of dollar amounts awarded in fiscal 1981 or the first year of program operation. Awards in the "first" year are compared to those in the "last" year--the latest year for which state-by-state allocations are available from government agencies; years range from fiscal 1987 to fiscal 1990. Table 2 presents similar information in 1982 (real) dollars. It shows that Maine suffered a 4.8 percent loss, from $466.2 million to $443.6 million, while nationally the buying power of grants decreased 4.6 percent.

Although the state's receipts fell in real dollars for about two-thirds of the grant programs, the slight increase came from a substantial gain in Medicaid and smaller gains in Aid to Families with Dependent Children; Highway Planning and Construction: Interstate 4R Program; Educationally Deprived Children (Chapter I); and the Supplemental Food Program for Women, Infants, and Children. These increases offset losses in other programs, especially the Construction Grants program, the Low-Income Home Energy Assistance Program, and the Urban Development Action Grant program. Maine's share of funding rose in several programs (particularly in the Community Services Block Grant program and Child Care Food Program) enough to offset losses in others. It also benefited from large increases nationally in programs such as Medicaid and Aid to Families with Dependent Children.

Programs Gaining the Most in Funding for Maine

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Medicaid	0.07	109.36	61.69
2. AFDC	-0.06	12.01	0.23
3. Interstate 4R	0.00	8.82	6.12
4. Ed. Depr. Child.	0.07	8.32	3.54
5. WIC	-0.02	4.25	2.27

Programs Losing the Most in Funding for Maine

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Const. Grants	0.09	-12.38	-16.96
2. LIHEAP	-0.16	-7.79	-13.18
3. UDAG	-1.39	-5.84	-6.43
4. Interstate Const.	0.08	-4.66	-7.77
5. JTPA IIB	-0.22	-2.08	-2.75

Programs in which Maine's Share Increased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. Comm. Svc. Block Grant	0.00	0.57	0.57	N.A.	2.23
2. Child Care Food	0.39	0.64	0.25	64.54	1.92
3. Child Supp. Enf.	0.36	0.56	0.21	58.64	2.79
4. Refugee Assit	0.07	0.23	0.17	240.57	0.43
5. CDBG-Small Cities	1.08	1.20	0.12	11.11	0.07

Programs in which Maine's Share Decreased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. UDAG	1.92	0.53	-1.39	-72.56	-5.84
2. Airport Improv. Prim.	0.53	0.20	-0.33	-61.76	0.62
3. Bridge Repl./Rehab.	0.71	0.47	-0.23	-33.04	-0.06
4. JTPA IIB	0.56	0.34	-0.22	-39.43	-2.08
5. Food Dist. Child	0.75	0.54	-0.21	-27.86	-2.03

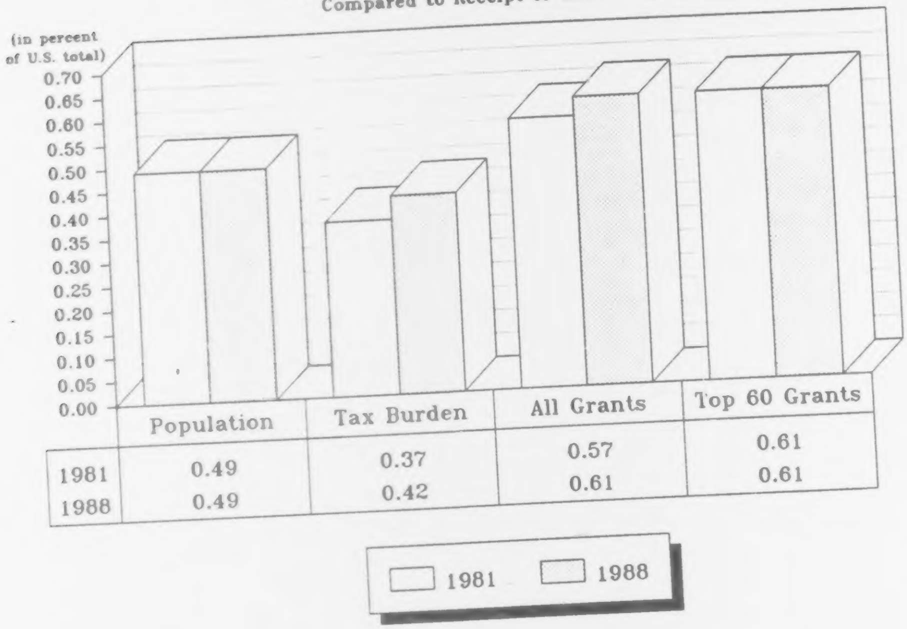
With politicians reluctant to consider tax increases or entitlement and military reductions, competition for domestic discretionary program funds--social and economic development initiatives of interest to states and communities--has become fierce. Recent decisions made by Congress and the administration--bailing out insolvent savings and loan institutions, cleaning up the Department of Energy's nuclear facilities, promoting NASA's $30-billion space station, and building the superconducting supercollider--will divert many of these scarce federal dollars away from Maine toward states in the South and West. Maine taxpayers, for example, will pay an estimated $105 million for the 1988 savings and loan bail-out actions, although none of the state's institutions failed.

Two factors will continue to affect Maine's receipt of grant program funds: increases or cuts in overall appropriations, and gains or losses in the state's share of total funds allocated. The 1990 census may well hurt Maine on both of these factors. The Northeast-Midwest region probably will lose 14 seats in the House of Representatives. This loss of political influence will diminish the ability of members from these states to set funding priorities and defend programs of particular benefit to the region from spending cuts.

Many grant formulas that allocate federal funds work against the interests of Maine and other states in the Northeast-Midwest region by underestimating the need for federal assistance, overestimating fiscal (tax-raising) capacity, and underestimating the costs of service responsibilities. For lawmakers interested in promoting more equitable patterns of funding, many opportunities exist to target federal grants more precisely to the people and places in greatest need. Many grant formulas were fashioned years ago when Congress was less concerned with budget deficits. As a result, formulas frequently contain crude and inaccurate factors approximating states' needs and their ability to meet those needs. Congress can correct these distortions when it reauthorizes the grant programs.

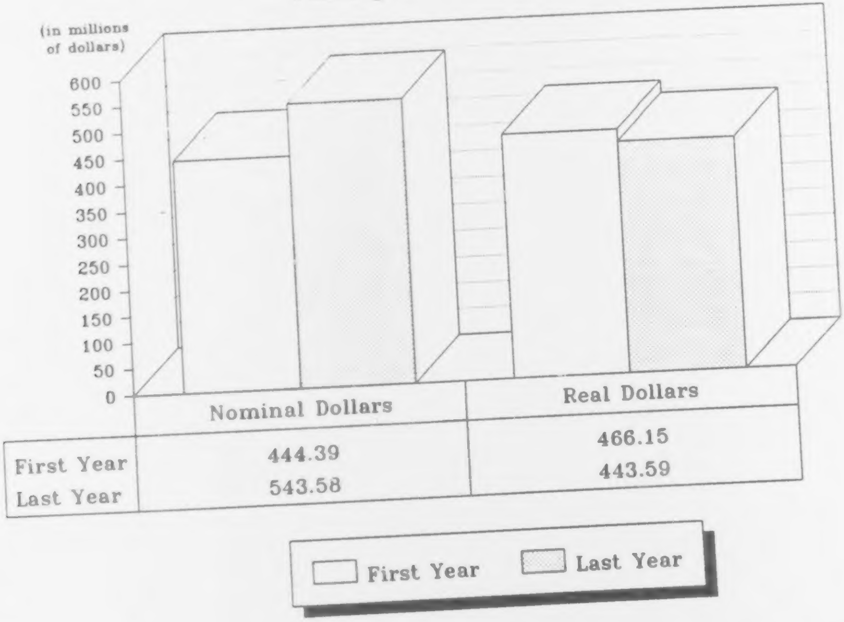
Maine

Figure 1. State Population and Tax Burden Compared to Receipt of Grant Funds



	Population	Tax Burden	All Grants	Top 60 Grants
1981	0.49	0.37	0.57	0.61
1988	0.49	0.42	0.61	0.61

Figure 2. Total State Federal Funding for 60 Largest Grants



	Nominal Dollars	Real Dollars
First Year	444.39	466.15
Last Year	543.58	443.59

Table 1

Total Awards, Maine's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Medicaid	17,382.07	30,396.40	0.68	0.75	0.07	10.08	118.23	227.59	109.36
AFDC	6,938.72	9,987.67	0.58	0.53	-0.06	-9.89	40.44	52.45	12.01
General Revenue	5,133.68	0.00	0.59	0.00	-0.59	-100.00	30.34	0.00	-30.34
Const. Grants	3,833.59	1,833.00	0.70	0.80	0.09	13.18	26.98	14.60	-12.38
Interstate Const.	3,768.10	2,421.50	0.49	0.57	0.08	16.46	18.52	13.86	-4.66
Ed. Depr. Child	2,950.50	4,138.90	0.47	0.54	0.07	14.17	13.83	22.15	8.32
CDBG: Large	2,604.66	1,920.62	0.18	0.21	0.04	20.58	4.60	4.09	-0.51
S.S. Block Grnt	2,489.62	2,684.53	0.52	0.49	-0.04	-7.40	13.07	13.05	-0.02
School Lunch	2,294.74	2,686.53	0.58	0.42	-0.16	-27.19	13.28	11.32	-1.96
JTPA II-A	1,820.77	1,705.52	0.44	0.35	-0.09	-20.73	8.04	5.97	-2.07
LIHEAP	1,744.17	1,381.09	1.52	1.36	-0.16	-10.74	26.57	18.78	-7.79
Primary System	1,620.38	2,274.79	0.68	0.64	-0.05	-6.95	11.07	14.46	3.39
UMTA: Large	1,283.77	1,433.00	0.00	0.00	0.00	--	0.00	0.00	0.00
Bridge Rep. Reh.	925.14	1,368.91	0.71	0.47	-0.23	-33.04	6.56	6.50	-0.06
WIC	905.87	1,703.44	0.57	0.55	-0.02	-2.76	5.13	9.38	4.25
Food Dist.: Child	901.14	873.51	0.75	0.54	-0.21	-27.86	6.75	4.72	-2.03
CDBG: Small	880.85	798.65	1.08	1.20	0.12	11.11	9.49	9.56	0.07
Ed. of Hand	856.61	1,387.90	0.60	0.65	0.04	6.88	5.18	8.97	3.79
Rehab. services	833.41	1,251.79	0.66	0.65	-0.01	-0.87	5.46	8.13	2.67
Interstate 4R	780.06	2,532.12	0.50	0.50	0.00	0.48	3.90	12.72	8.82
JTPA IIB	777.29	673.89	0.56	0.34	-0.22	-39.43	4.38	2.30	-2.08
Urban System	772.60	722.51	0.50	0.51	0.00	0.35	3.90	3.66	-0.24
Emp. Ser. Admin	718.09	737.51	0.55	0.55	0.00	0.10	3.92	4.03	0.11
UnEm Ins	686.61	1,407.97	0.58	0.56	-0.02	-3.69	4.00	7.90	3.90
Head Start	684.58	1,059.52	0.48	0.47	0.00	-0.70	3.26	5.01	1.75
Voc Ed	672.99	793.16	0.59	0.56	-0.03	-5.77	3.98	4.42	0.44
School Assist	622.66	639.08	0.53	0.50	-0.03	-5.81	3.31	3.20	-0.11
Rural Secondary	580.50	581.08	0.88	0.87	0.00	-0.49	5.09	5.07	-0.02
Improv School P	437.72	464.75	0.51	0.51	0.00	0.10	2.23	2.37	0.14
Alco, Drug, MH	420.18	478.52	0.78	0.78	0.00	-0.14	3.28	3.73	0.45
Child Support Enf	393.13	741.65	0.36	0.56	0.21	58.64	1.40	4.19	2.79

Table 1
Total Awards, Maine's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Refugee Assist	363.43	290.26	0.07	0.23	0.17	240.57	0.25	0.68	0.43
UDAG	356.22	188.19	1.92	0.53	-1.39	-72.56	6.83	0.99	-5.84
Maternal Child Healt	350.26	448.30	0.73	0.71	-0.02	-3.25	2.56	3.17	0.61
Win	347.90	91.80	0.56	0.57	0.01	1.58	1.94	0.52	-1.42
Older Am: Nutr	341.97	426.53	0.53	0.54	0.02	3.34	1.80	2.32	0.52
School Break	315.06	427.16	0.31	0.20	-0.11	-34.61	0.97	0.86	-0.11
Foster care	308.75	716.25	0.71	0.58	-0.13	-18.29	2.20	4.17	1.97
Child Care Food	292.02	479.03	0.39	0.64	0.25	64.54	1.13	3.05	1.92
Senior Com. Ser	271.93	324.51	0.65	0.62	-0.02	-3.82	1.76	2.02	0.26
Interstate Sub	256.20	543.89	0.00	0.00	0.00	--	0.00	0.00	0.00
Migrant Ed	256.05	258.46	1.21	1.20	-0.02	-1.25	3.10	3.09	-0.01
Older Am Support	246.04	271.30	0.53	0.54	0.01	2.55	1.30	1.47	0.17
Schools & Roads	231.29	317.97	0.01	0.01	0.00	9.11	0.02	0.03	0.01
Airport Imp: P	219.74	881.76	0.53	0.20	-0.33	-61.76	1.16	1.78	0.62
Rail Highway	185.36	155.76	0.60	0.60	0.00	-0.12	1.12	0.94	-0.18
Wap	174.98	157.88	1.60	1.64	0.04	2.52	2.80	2.59	-0.21
Wat&Waste Disp	172.14	91.67	0.89	0.98	0.09	10.46	1.53	0.90	-0.63
Dislocated Wor	163.40	219.25	0.39	0.22	-0.17	-42.94	0.64	0.49	-0.15
State &Com. High	162.31	102.51	0.52	0.52	0.00	-0.10	0.84	0.53	-0.31
Child Welfare	157.67	232.34	0.63	0.57	-0.06	-8.83	0.99	1.33	0.34
UMTA: Small	155.09	142.59	0.81	0.81	0.01	0.94	1.25	1.16	-0.09
Ed of Handi Child	144.08	149.80	0.51	0.38	-0.13	-25.91	0.74	0.57	-0.17
Hazard Elim	143.54	163.11	0.52	0.51	-0.01	-1.30	0.74	0.83	0.09
Comm. Ser BG	130.10	388.29	0.00	0.57	0.57	--	0.00	2.23	2.23
Summer Food Child	101.98	110.14	0.29	0.22	-0.08	-25.93	0.30	0.24	-0.06
Adult Ed	97.22	111.98	0.59	0.64	0.06	9.67	0.57	0.72	0.15
Ag. Exper. Stat	91.58	107.53	1.04	1.01	-0.02	-2.28	0.95	1.09	0.14
Food Dist: Elderly	85.74	129.93	0.56	0.43	-0.13	-23.01	0.48	0.56	0.08
Airport Impr:S	32.22	149.57	0.71	0.72	0.00	0.22	0.23	1.07	0.84
Total	**72,868.47**	**89,157.27**	**0.61**	**0.61**	**0.00**	**-0.03**	**444.39**	**543.58**	**99.19**

Table 2

Total Awards, Maine's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real (1982) Dollars

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Medicaid	18,424.99	24,976.50	125.32	187.01	35.56	49.22
AFDC	7,355.04	8,206.80	42.87	43.10	11.58	0.54
General Revenue	5,441.70	--	32.16	--	--	--
Const. Grants	4,063.61	1,461.72	28.60	11.64	-64.03	-59.29
Interstate Const.	3,768.10	1,878.59	18.52	10.75	-50.14	-41.94
Ed. Depr. Child	3,127.53	3,400.90	14.66	18.20	8.74	24.15
CDBG: Large	2,760.94	1,578.16	4.88	3.36	-42.84	-31.08
S.S. Block Grnt	2,396.17	2,140.77	12.58	10.41	-10.66	-17.27
School Lunch	2,432.42	2,282.52	14.08	9.62	-6.16	-31.68
JTPA II-A	1,690.59	1,360.06	7.47	4.76	-19.55	-36.23
LIHEAP	1,848.82	1,101.35	28.16	14.98	-40.43	-46.83
Primary System	1,717.60	1,814.03	11.73	11.53	5.61	-1.73
UMTA: Large	1,360.80	1,142.74	0.00	0.00	-16.02	--
Bridge Rep. Reh.	980.65	1,091.63	6.95	5.18	11.32	-25.46
WIC	960.22	1,399.70	5.44	7.71	45.77	41.74
Food Dist.: Child	955.21	742.15	7.16	4.01	-22.30	-43.95
CDBG: Small	933.70	656.24	10.06	7.86	-29.72	-21.91
Ed. of Hand	908.01	1,106.78	5.49	7.15	21.89	30.27
Rehab. services	883.41	1,063.54	5.79	6.91	20.39	19.35
Interstate 4R	750.78	1,964.41	3.75	9.87	161.65	162.90
JTPA IIB	823.93	553.73	4.64	1.89	-32.79	-59.29
Urban System	818.96	576.16	4.13	2.92	-29.65	-29.40
Emp. Ser. Admin	666.75	588.13	3.64	3.21	-11.79	-11.70
UnEm Ins	727.81	1,122.78	4.24	6.30	54.27	48.58
Head Start	725.65	844.91	3.46	4.00	16.43	15.62
Voc Ed	713.37	651.73	4.22	3.63	-8.64	-13.91
School Assist	660.02	525.13	3.51	2.63	-20.44	-25.06
Rural Secondary	615.33	463.38	5.40	4.04	-24.69	-25.06
Improv School P	421.29	381.88	2.15	1.95	-9.35	-9.27
Alco,Drug, MH	420.18	393.20	3.28	3.06	-6.42	-6.56
Child Support Enf	416.72	630.12	1.48	3.56	51.21	139.89
Refugee Assist	385.24	238.50	0.27	0.56	-38.09	110.85
UDAG	377.59	154.63	7.24	0.81	-59.05	-88.76
Maternal Child Healt	371.28	357.50	2.71	2.53	-3.71	-6.84
Win	368.77	75.43	2.06	0.43	-79.55	-79.22
Older Am: Nutr	362.49	340.14	1.91	1.85	-6.17	-3.04
School Break	333.96	362.92	1.03	0.73	8.67	-28.94
Foster care	327.28	608.54	2.33	3.54	85.94	51.93
Child Care Food	309.54	406.99	1.20	2.59	31.48	116.34
Senior Com. Ser	288.25	266.65	1.87	1.66	-7.49	-11.03
Interstate Sub	246.58	421.95	0.00	0.00	71.12	--
Migrant Ed	271.41	212.37	3.29	2.54	-21.75	-22.73
Older Am Support	260.80	216.35	1.38	1.17	-17.05	-14.93

Table 2

Total Awards, Maine's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real(1982)Dollars (continued)

	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
Program Name	(in millions of real dollars)				(in percent)	
Schools & Roads	245.17	261.27	0.02	0.02	6.57	0.00
Airport Imp: P	219.74	724.54	1.16	1.46	229.72	26.09
Rail Highway	196.48	124.21	1.19	0.75	-36.78	-36.86
Wap	185.48	129.73	2.97	2.13	-30.06	-28.30
Wat&Waste Disp	182.47	75.32	1.62	0.74	-58.72	-54.40
Dislocated Wor	151.72	174.84	0.59	0.39	15.24	-34.24
State &Com. High	172.05	84.23	0.89	0.44	-51.04	-51.09
Child Welfare	167.13	190.91	1.05	1.09	14.23	4.14
UMTA: Small	164.40	113.71	1.33	0.93	-30.83	-30.19
Ed of Handi Child	152.72	123.09	0.78	0.47	-19.40	-40.29
Hazard Elim	152.15	130.07	0.78	0.66	-14.51	-15.62
Comm. Ser BG	130.10	319.06	0.00	1.83	145.24	--
Summer Food Child	108.10	93.58	0.32	0.20	-13.43	-35.88
Adult Ed	103.05	89.30	0.60	0.57	-13.35	-4.97
Ag. Exper. Stat	97.07	88.36	1.01	0.90	-8.98	-11.06
Food Dist: Elderly	90.88	110.39	0.51	0.48	21.46	-6.49
Airport Impr:S	34.15	122.90	0.24	0.88	259.85	260.63
Total	76,226.36	72,717.24	466.15	443.59	-4.60	-4.84

Federal Grant Program Spending:

Maryland

1981 - 1988

Diane DeVaul

Northeast-Midwest Institute
The Center for Regional Policy
218 D Street, S.E.
Washington, D.C. 20003

October 1989

Grants-in-aid to state and local governments constitute one of the four major federal spending categories. (The other three are procurement, salaries and wages, and direct payments to individuals.) Maryland's share of the total amount of federal grants to state and local governments fell from 2.03 percent to 1.82 percent between fiscal 1981 and fiscal 1988. Two criteria often are used to compare states' performance in receipt of grant funds: relative tax burden and population. Maryland's tax burden--its payment of federal revenues--increased from 2.08 percent to 2.24 percent during this period, while its population rose from 1.85 percent to 1.87 percent of the U.S. total. Figure 1 compares Maryland's population and tax burden to its receipt of grants in all federal programs and the 60 largest programs.

A recent report published by the Northeast-Midwest Institute, Federal Funding Formulas and State Allocations: What Share for the Northeast and Midwest? examines 56 programs that awarded grants over $100 million in fiscal 1981, plus four others that reached $100 million by fiscal 1988. Grants to Maryland in these programs increased in nominal dollars from $1,371.2 million to $1,533.8 million, but its share of funding fell from 1.88 percent to 1.72 percent during the period studied. Table 1 presents the amount Maryland received in these 60 programs and its share relative to other states. The programs are listed in descending order of dollar amounts awarded in fiscal 1981 or the first year of program operation. Awards in the "first" year are compared to those in the "last" year--the latest fiscal year for which state-by-state allocations are available from government agencies; years range from fiscal 1987 to fiscal 1990. Table 2 presents similar information in 1982 (real) dollars. It shows that Maryland's funding dropped 12.9 percent, from $1,429.4 million to $1,245.7 million, compared to a 4.6 percent decline for grant programs nationally.

The state's receipts fell in real dollars for about two-thirds of the grant programs. A few programs increased in funding, including: Medicaid; the Highway Planning and Construction: Interstate Substitution and Interstate 4R programs; and the Educationally Deprived Children program. Receipts fell sharply in Interstate Construction and Wastewater Treatment Construction Grants. Maryland's share of funding rose in Interstate Substitution and Foster Care programs, not enough to offset losses in others such as the School Assistance and Education of the Handicapped programs. Maryland benefited from large increases nationally in Medicaid and Aid to Families with Dependent Children.

Programs Gaining the Most in Funding for Maryland

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Medicaid	0.11	229.56	125.96
2. Interstate Substitution	8.06	48.56	36.89
3. Interstate 4R	0.09	27.68	19.36
4. AFDC	-0.26	24.09	-7.57
5. Ed. Deprived Children	-0.05	18.46	3.80

Programs Losing the Most in Funding for Maryland

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Interstate Construction	-0.27	-70.37	-94.69
2. Const. Grants (wastewater)	-0.26	-59.81	-75.38
3. CDBG: Large Cities	-0.04	-14.77	-24.88
4. School Assistance	-1.78	-10.90	-13.51
5. JTPA IIA	-0.37	-7.98	-9.94

Programs in which Maryland's Share Increased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. Interstate Substitution	1.64	9.70	8.06	491.73	48.56
2. Foster Care	1.07	2.08	1.01	94.43	11.62
3. UMTA: Small Cities	0.00	0.72	0.72	N.A.	1.02
4. Airport Imp: Primary	0.71	1.12	0.42	59.01	8.34
5. Child Support Enf.	2.67	3.06	0.39	14.61	12.18

Programs in which Maryland's Share Decreased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. School Assistance	3.07	1.28	-1.78	-58.14	-10.90
2. Ed. of Handicapped	1.82	0.80	-1.02	-55.95	-1.42
3. Dislocated Workers	1.41	0.89	-0.52	-37.09	-0.36
4. JTPA IIB	1.71	1.26	-0.46	-26.69	-4.85
5. Bridge Rep./Rehab.	1.87	1.45	-0.42	-22.47	2.55

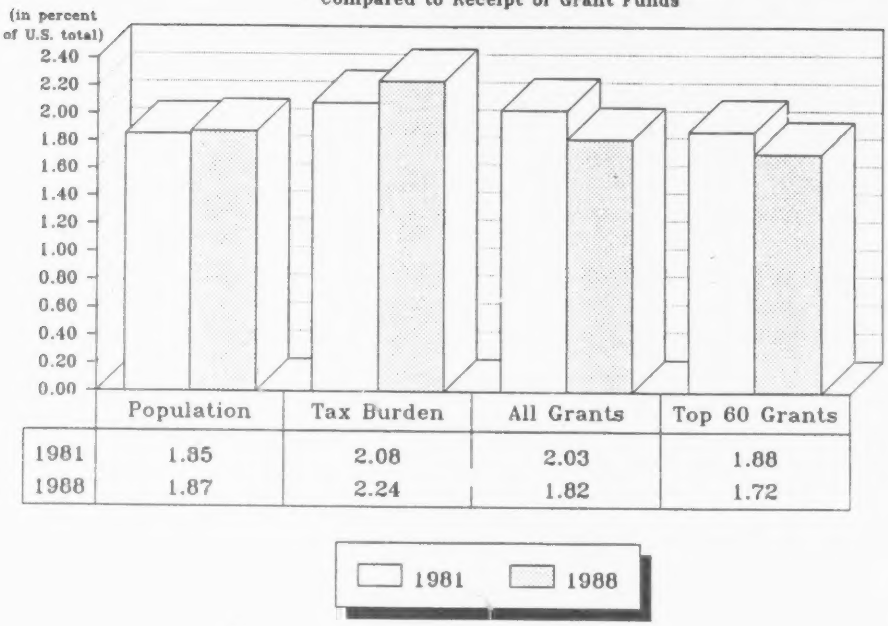
With politicians reluctant to consider tax increases or entitlement and military reductions, competition for domestic discretionary program funds--social and economic development initiatives of interest to states and communities--has become fierce. Recent decisions made by Congress and the administration--bailing out insolvent savings and loan institutions, cleaning up the Department of Energy's nuclear facilities, promoting NASA's $30-billion space station, and building the superconducting supercollider--will divert many of these scarce federal dollars away from Maryland and toward states in the South and West. Maryland taxpayers, for example, will pay an estimated $590 million for the 1988 savings and loan bail-out actions, although none of the state's institutions failed.

Two factors will continue to affect Maryland's receipt of grant program funds: increases or cuts in overall appropriations, and gains or losses in the state's share of total funds allocated. The 1990 census may well hurt Maryland on both of these factors. The Northeast-Midwest region probably will lose 14 seats in the House of Representatives. This loss of political influence will diminish the ability of members from these states to set funding priorities and to defend programs of particular benefit to the region from spending cuts.

Many grant formulas work against the interests of Maryland and other states in the Northeast-Midwest region by underestimating the need for federal assistance, overestimating fiscal (tax-raising) capacity, and underestimating the costs of service responsibilities. For lawmakers interested in promoting more equitable patterns of funding, many opportunities exist to target federal grants more precisely to the people and places in greatest need. Many grant formulas were fashioned years ago when Congress was less concerned with budget deficits. As a result, formulas frequently contain crude and inaccurate factors approximating states' needs and their ability to meet those needs. Congress can correct these distortions when it reauthorizes the grant programs.

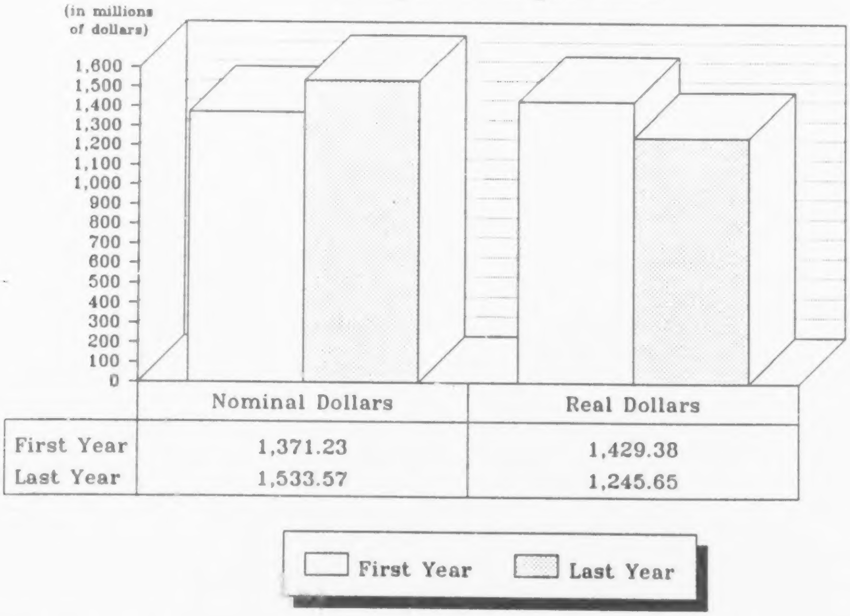
Maryland

Figure 1. State Population and Tax Burden Compared to Receipt of Grant Funds



	Population	Tax Burden	All Grants	Top 60 Grants
1981	1.85	2.08	2.03	1.88
1988	1.87	2.24	1.82	1.72

Figure 2. Total State Federal Funding for 60 Largest Grants



	Nominal Dollars	Real Dollars
First Year	1,371.23	1,429.38
Last Year	1,533.57	1,245.65

Table 1

Total Awards, Maryland's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Differ- ence in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Medicaid	17,382.07	30,396.40	1.51	1.62	0.11	7.11	262.94	492.50	229.56
AFDC	6,938.72	9,987.67	1.65	1.39	-0.26	-15.95	114.82	138.91	24.09
General Revenue	5,133.68	--	1.95	0.00	-1.95	-100.00	100.27	0.00	-100.27
Const. Grants	3,833.59	1,833.00	2.75	2.49	-0.26	-9.51	105.42	45.61	-59.81
Interstate Const.	3,768.10	2,421.50	4.75	4.48	-0.27	-5.62	178.84	108.47	-70.37
Ed. Depr. Child	2,950.50	4,138.90	1.72	1.67	-0.05	-2.77	50.73	69.19	18.46
CDBG: Large	2,604.66	1,920.62	2.05	2.02	-0.04	-1.83	53.49	38.72	-14.77
S.S. Block Grnt	2,489.62	2,684.53	2.18	1.87	-0.31	-14.19	54.35	50.29	-4.06
School Lunch	2,294.74	2,686.53	1.55	1.30	-0.25	-16.16	35.65	34.99	-0.66
JTPA II-A	1,820.77	1,705.52	1.50	1.13	-0.37	-24.46	27.29	19.31	-7.98
LIHEAP	1,744.17	1,381.09	1.62	1.61	-0.01	-0.52	28.17	22.19	-5.98
Primary System	1,620.38	2,274.79	1.36	1.50	0.14	10.13	22.01	34.03	12.02
UMTA: Large	1,283.77	1,433.00	2.63	2.44	-0.20	-7.53	33.81	34.90	1.09
Bridge Rep. Reh.	925.14	1,368.91	1.87	1.45	-0.42	-22.47	17.32	19.87	2.55
WIC	905.87	1,703.44	1.58	1.28	-0.30	-19.15	14.32	21.77	7.45
Food Dist.: Child	901.14	873.51	1.78	1.66	-0.12	-6.72	16.08	14.54	-1.54
CDBG: Small	880.85	798.65	0.97	0.85	-0.12	-12.77	8.56	6.77	-1.79
Ed. of Hand	856.61	1,387.90	2.39	2.10	-0.28	-11.83	20.44	29.20	8.76
Rehab. services	833.41	1,251.79	1.54	1.56	0.02	0.98	12.87	19.52	6.65
Interstate 4R	780.06	2,532.12	1.45	1.54	0.09	6.27	11.30	38.98	27.68
JTPA IIB	777.29	673.89	1.71	1.26	-0.46	-26.69	13.31	8.46	-4.85
Urban System	772.60	722.51	2.00	1.99	-0.01	-0.27	15.43	14.39	-1.04
Emp. Ser. Admin	718.09	737.51	1.59	1.69	0.10	6.51	11.39	12.46	1.07
UnEm Ins	686.61	1,407.97	1.39	1.73	0.34	24.27	9.54	24.31	14.77
Head Start	684.58	1,059.52	1.53	1.49	-0.04	-2.50	10.49	15.83	5.34
Voc Ed	672.99	793.16	1.81	1.65	-0.17	-9.17	12.20	13.06	0.86
School Assist	622.66	639.08	3.07	1.28	-1.78	-58.14	19.11	8.21	-10.90
Rural Secondary	580.50	581.08	1.02	1.00	-0.02	-1.96	5.90	5.79	-0.11
Improv School P	437.72	464.75	1.81	1.71	-0.10	-5.34	7.92	7.96	0.04
Alco.Drug. MH	420.18	478.52	0.86	0.99	0.14	15.86	3.60	4.75	1.15
Child Support Enf	393.13	741.65	2.67	3.06	0.39	14.61	10.48	22.66	12.18

Table 1

Total Awards, Maryland's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Refugee Assist	363.43	290.26	0.98	0.85	-0.13	-12.78	3.56	2.48	-1.08
UDAG	356.22	188.19	1.57	1.82	0.25	15.94	5.60	3.43	-2.17
Maternal Child Healt	350.26	448.30	2.56	2.46	-0.11	-4.12	8.98	11.02	2.04
Win	347.90	91.80	1.98	1.91	-0.07	-3.60	6.88	1.75	-5.13
Older Am: Nutr	341.97	426.53	1.56	1.59	0.03	1.75	5.35	6.79	1.44
School Break	315.06	427.16	1.49	1.18	-0.31	-20.91	4.70	5.04	0.34
Foster care	308.75	716.25	1.07	2.08	1.01	94.43	3.31	14.93	11.62
Child Care Food	292.02	479.03	1.25	1.61	0.36	28.77	3.65	7.71	4.06
Senior Com. Ser	271.93	324.51	1.39	1.37	-0.02	-1.53	3.77	4.43	0.66
Interstate Sub	256.20	543.89	1.64	9.70	8.06	491.73	4.20	52.76	48.56
Migrant Ed	256.05	258.46	0.37	0.12	-0.25	-68.38	0.94	0.30	-0.64
Older Am Support	246.04	271.30	1.56	1.59	0.03	1.76	3.85	4.32	0.47
Schools & Roads	231.29	317.97	0.00	0.00	0.00	--	0.00	0.00	0.00
Airport Imp: P	219.74	881.76	0.71	1.12	0.42	59.01	1.55	9.89	8.34
Rail Highway	185.36	155.76	1.01	0.99	-0.02	-2.00	1.87	1.54	-0.33
Wap	174.98	157.88	1.17	1.30	0.13	11.37	2.05	2.06	0.01
Wat&Waste Disp	172.14	91.67	1.21	1.22	0.01	0.63	2.09	1.12	-0.97
Dislocated Wor	163.40	219.25	1.41	0.89	-0.52	-37.09	2.31	1.95	-0.36
State &Com. High	162.31	102.51	1.59	1.55	-0.04	-2.42	2.58	1.59	-0.99
Child Welfare	157.67	232.34	1.69	1.55	-0.14	-8.50	2.67	3.60	0.93
UMTA: Small	155.09	142.59	0.00	0.72	0.72	--	0.00	1.02	1.02
Ed of Handi Child	144.08	149.80	1.82	0.80	-1.02	-55.95	2.62	1.20	-1.42
Hazard Elim	143.54	163.11	1.57	1.54	-0.03	-1.87	2.26	2.52	0.26
Comm. Ser BG	130.10	388.29	1.39	1.50	0.11	7.92	1.81	5.83	4.02
Summer Food Child	101.98	110.14	1.31	1.10	-0.22	-16.39	1.34	1.21	-0.13
Adult Ed	97.22	111.98	1.90	1.85	-0.05	-2.86	1.85	2.07	0.22
Ag. Exper. Stat	91.58	107.53	1.43	1.40	-0.03	-1.83	1.31	1.51	0.20
Food Dist: Elderly	85.74	129.93	2.02	1.72	-0.30	-14.94	1.73	2.23	0.50
Airport Impr:S	32.22	149.57	1.09	1.09	0.00	0.32	0.35	1.63	1.28
Total/Weighted Avg.	72,868.47	89,157.27	1.88	1.72	-0.16	-8.59	1,371.23	1,533.57	162.34

Table 2

Total Awards, Maryland's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real Dollars

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Medicaid	18,424.99	24,976.50	278.72	404.68	35.56	45.20
AFDC	7,355.04	8,206.80	121.71	114.14	11.58	-6.22
General Revenue	5,441.70	--	106.29	--	--	--
Const. Grants	4,063.61	1,461.72	111.75	36.37	-64.03	-67.45
Interstate Const.	3,768.10	1,878.59	178.84	84.15	-50.14	-52.95
Ed. Depr. Child	3,127.53	3,400.90	53.77	56.85	8.74	5.73
CDBG: Large	2,760.94	1,578.16	56.70	31.82	-42.84	-43.89
S.S. Block Grnt	2,396.17	2,140.77	52.31	40.10	-10.66	-23.33
School Lunch	2,432.42	2,282.52	37.79	29.73	-6.16	-21.33
JTPA II-A	1,690.59	1,360.06	25.34	15.40	-19.55	-39.23
LIHEAP	1,848.82	1,101.35	29.86	17.70	-40.43	-40.74
Primary System	1,717.60	1,814.03	23.33	27.14	5.61	16.32
UMTA: Large	1,360.80	1,142.74	35.84	27.83	-16.02	-22.34
Bridge Rep. Reh.	980.65	1,091.63	18.36	15.85	11.32	-13.69
WIC	960.22	1,399.70	15.18	17.89	45.77	17.85
Food Dist.: Child	955.21	742.15	17.04	12.35	-22.30	-27.52
CDBG: Small	933.70	656.24	9.07	5.56	-29.72	-38.69
Ed. of Hand	908.01	1,106.78	21.67	23.29	21.89	7.47
Rehab. services	883.41	1,063.54	13.64	16.58	20.39	21.57
Interstate 4R	750.78	1,964.41	10.88	30.24	161.65	178.05
JTPA IIB	823.93	553.73	14.11	6.95	-32.79	-50.73
Urban System	818.96	576.16	16.36	11.48	-29.65	-29.84
Emp. Ser. Admin	666.75	588.13	10.58	9.94	-11.79	-6.05
UnEm Ins	727.81	1,122.78	10.11	19.39	54.27	91.70
Head Start	725.65	844.91	11.12	12.62	16.43	13.53
Voc Ed	713.37	651.73	12.93	10.73	-8.64	-17.02
School Assist	660.02	525.13	20.26	6.75	-20.44	-66.70
Rural Secondary	615.33	463.38	6.25	4.62	-24.69	-26.17
Improv School P	421.29	381.88	7.62	6.54	-9.35	-14.19
Alco,Drug, MH	420.18	393.20	3.60	3.90	-6.42	8.42
Child Support Enf	416.72	630.12	11.11	19.25	51.21	73.31
Refugee Assist	385.24	238.50	3.77	2.04	-38.09	-46.00
UDAG	377.59	154.63	5.94	2.82	-59.05	-52.52
Maternal Child Healt	371.28	357.50	9.52	8.79	-3.71	-7.68
Win	368.77	75.43	7.29	1.44	-79.55	-80.28
Older Am: Nutr	362.49	340.14	5.67	5.41	-6.17	-4.52
School Break	333.96	362.92	4.98	4.28	8.67	-14.05
Foster care	327.28	608.54	3.51	12.68	85.94	261.53
Child Care Food	309.54	406.99	3.87	6.55	31.48	69.31
Senior Com. Ser	288.25	266.65	4.00	3.64	-7.49	-8.91
Interstate Sub	246.58	421.95	4.04	40.93	71.12	912.55
Migrant Ed	271.41	212.37	1.00	0.25	-21.75	-75.26
Older Am Support	260.80	216.35	4.08	3.44	-17.05	-15.59

Table 2

Total Awards, Maryland's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real Dollars (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Schools & Roads	245.17	261.27	0.00	0.00	6.57	0.00
Airport Imp: P	219.74	724.54	1.55	8.13	229.72	424.29
Rail Highway	196.48	124.21	1.98	1.23	-36.78	-38.05
Wap	185.48	129.73	2.17	1.69	-30.06	-22.10
Wat&Waste Disp	182.47	75.32	2.22	0.92	-58.72	-58.46
Dislocated Wor	151.72	174.84	2.14	1.56	15.24	-27.50
State &Com. High	172.05	84.23	2.73	1.31	-51.04	-52.23
Child Welfare	167.13	190.91	2.83	2.96	14.23	4.52
UMTA: Small	164.40	113.71	0.00	0.81	-30.83	--
Ed of Handi Child	152.72	123.09	2.78	0.99	-19.40	-64.50
Hazard Elim	152.15	130.07	2.40	2.01	-14.51	-16.11
Comm. Ser BG	130.10	319.06	1.81	4.79	145.24	164.67
Summer Food Child	108.10	93.58	1.42	1.03	-13.43	-27.62
Adult Ed	103.05	89.30	1.96	1.65	-13.35	-15.82
Ag. Exper. Stat	97.07	88.36	1.39	1.24	-8.98	-10.65
Food Dist: Elderly	90.88	110.39	1.83	1.89	21.46	3.32
Airport Impr:S	34.15	122.90	0.37	1.34	259.85	261.01
Total/Weighted Avg.	76,226.36	72,717.24	1,429.38	1,245.65	-4.60	-12.85

Federal Grant Program Spending:

Massachusetts

1981 - 1988

Diane DeVaul

Northeast-Midwest Institute
The Center for Regional Policy
218 D Street, S.E.
Washington, D.C. 20003

October 1989

Federal grants-in-aid to state and local governments constitute one of the four major spending categories. (The other three are procurement, salaries and wages, and direct payments to individuals.) Massachusetts' share of the total amount of federal grants to state and local governments fell from 3.10 percent to 3.03 percent from fiscal 1981 to fiscal 1988. Two criteria often are used to compare states' performance in receipt of grant funds: relative tax burden and population. Massachusetts' tax burden--its payment of federal revenues--rose from 2.61 percent to 3.10 percent during this period, while its population fell from 2.51 to 2.38 percent of the U.S. total. Figure 1 compares Massachusetts' population and tax burden to its receipt of grants in all federal programs and the 60 largest programs.

A recent report published by the Northeast-Midwest Institute, Federal Funding Formulas and State Allocations: What Share for the Northeast and Midwest? examines 56 programs that awarded grants over $100 million in fiscal 1981, plus four others that reached $100 million by fiscal 1988. Grants to Massachusetts in these programs increased from $2,179 million (2.99 percent of the total) to $2,697 million (3.01 percent), all in nominal dollars, during the period studied. Table 1 presents the amount Massachusetts received in these 60 programs and its share relative to other states. The programs are listed in descending order of dollar amounts awarded in fiscal 1981 or the first year of program operation. Awards in the "first" year are compared to those in the "last" year--the latest fiscal year for which state-by-state allocations are available from government agencies; years range from fiscal 1987 to fiscal 1990. Table 2 presents similar information in 1982 (real) dollars. It shows that Massachusetts suffered a 4.08 loss, from $2,286.5 million to $2,193.3 million, while nationally the buying power of grants decreased by 4.60 percent.

The state's receipts in real dollars fell for about two-thirds of the grant programs. It registered some gains in Medicaid, Interstate Construction, Aid to Families with Dependent Children (AFDC), Education of Deprived Children, and Bridge Replacement and Rehabilitation programs. These increases were not enough to offset other losses, especially in the Community Development Block Grants to large cities, the Low-Income Home Energy Assistance Program, the Job Training Partnership Act funds for economically disadvantaged persons, and the Urban Development Action Grants program.

Massachusetts' overall level of grant receipts might have fallen even more if its share of funding had not risen in several programs: Interstate Construction, Refugee Assistance, Bridge Replacement and Rehabilitation, Interstate Substitution and Child Support Enforcement. The state also benefited from large increases nationally in programs such as Medicaid and Aid to Families with Dependent Children.

Programs Gaining the Most in Funding for Massachusetts

		Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1.	Medicaid	-0.19	422.46	193.93
2.	Interstate Const.	4.64	80.33	42.20
3.	AFDC	-0.74	45.28	-27.19
4.	Ed. Depr. Child.	0.29	39.44	16.20
5.	Bridge Rep. Reh.	2.15	38.44	25.83

Programs Losing the Most in Funding for Massachusetts

		Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1.	CDBG: Entitlement Grants	0.00	-22.02	-38.12
2.	LIHEAP	-0.38	-21.81	-38.34
3.	JTPA IIA	-0.80	-15.93	-17.44
4.	UDAG	0.06	-15.49	-20.62
5.	Const. Grants (Wastewater)	1.46	-13.97	-31.62

Programs in which Massachusetts' Share Increased the Most

		Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
		(in percent)				
1.	Interstate Const.	2.38	7.02	4.64	194.87	80.33
2.	Refugee Assistance	1.95	5.82	3.87	197.85	9.79
3.	Bridge Rep. Reh.	2.15	4.30	2.15	99.89	38.94
4.	Interstate Sub.	0.00	1.54	1.54	N.A.	8.37
5.	Child Support Enf.	2.72	3.54	0.81	29.89	15.52

Programs in which Massachusetts' Share Decreased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. Comm. Serv. Block Grant	5.53	2.72	-2.81	-50.76	3.38
2. UMTA: Small Cities	4.66	3.55	-1.11	-23.88	-2.17
3. JTPA IIB	2.90	1.85	-1.05	-36.26	-10.07
4. Dislocated Workers	1.77	0.81	-0.97	-54.51	-1.13
5. JTPA IIA	1.99	1.19	-0.80	-40.25	-15.93

With politicians reluctant to consider tax increases or entitlement and military reductions, competition for domestic discretionary program funds--social and economic development initiatives of interest to states and communities--has become fierce. Recent decisions made by Congress and the administration--bailing out insolvent savings and loan institutions, cleaning up the Department of Energy's nuclear facilities, promoting NASA's $30-billion space station, and building the superconducting supercollider--will divert many of these scarce federal dollars away from Massachusetts toward states in the South and West. Massachusetts taxpayers, for example, will pay an estimated $800 million for the 1988 savings and loan bail-out actions, although none of the state's institutions failed.

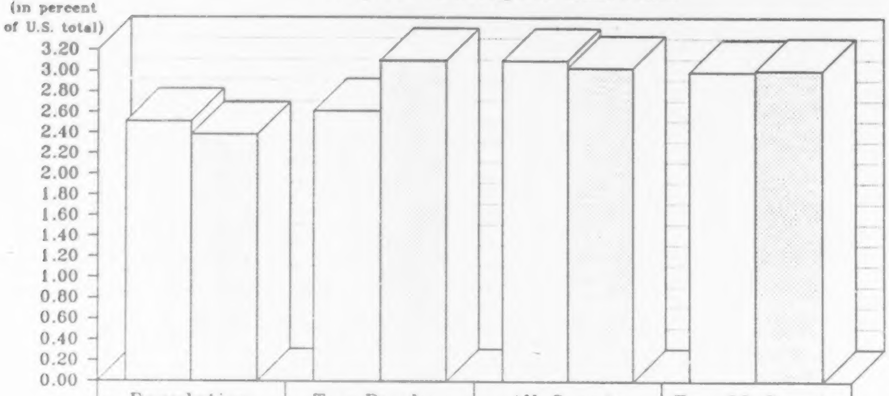
Two factors will continue to affect Massachusetts' receipt of grant program funds: increases or cuts in overall appropriations, and gains or losses in the state's share of total funds allocated. The 1990 census may well hurt Massachusetts on both of these factors. The Northeast-Midwest region probably will lose 14 seats in the House of Representatives. This loss of political influence will diminish the ability of members from the region to set funding priorities and to defend programs of particular benefit to the region from spending cuts.

In addition, funds for 39 of the 60 major grant programs studied are allocated in part on the basis of population. Some formulas consider the entire population, while others target specific sectors, such as school-age children, older Americans, the unemployed, or those living in poverty. In some cases, grant programs use annual population estimates to adjust the allocations. In those cases, estimated population loss accounts for some of the observed decline in Massachusetts' share of funding for these programs. Twenty major programs, however, use decennial census population factors in their formulas. Because Massachusetts has not kept pace with the national growth in population, falling from 2.51 percent in 1981 to an estimated 2.35 percent by 1990, the state can expect the use of 1990 census numbers, starting in 1992, will reduce its receipt of funds.

Many grant formulas work against the interests of Massachusetts and other states in the Northeast-Midwest region by underestimating the need for federal assistance, overestimating fiscal (tax-raising) capacity, and underestimating the costs of service responsibilities. For lawmakers interested in promoting more equitable patterns of funding, many opportunities exist to target federal grants more precisely to the people and places in greatest need. Many grant formulas were fashioned years ago when Congress was less concerned with budget deficits. As a result, formulas frequently contain crude and inaccurate factors approximating states' needs and their ability to meet those needs. Congress can correct these distortions when it reauthorizes the grant programs.

Massachusetts

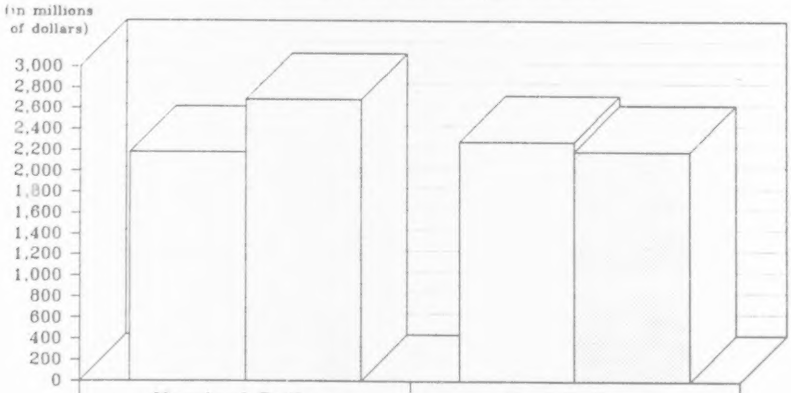
Figure 1. State Population and Tax Burden Compared to Receipt of Grant Funds



	Population	Tax Burden	All Grants	Top 60 Grants
1981	2.51	2.61	3.10	2.99
1988	2.38	3.10	3.03	3.01

☐ 1981 ☐ 1988

Figure 2. Total State Federal Funding for 60 Largest Grants



	Nominal Dollars	Real Dollars
First Year	2,178.85	2,286.54
Last Year	2,686.57	2,193.30

☐ First Year ▨ Last Year

Table 1

Total Awards, Massachusetts' Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Medicaid	17,382.07	30,396.40	3.70	3.50	-0.19	-5.24	642.87	1,065.33	422.46
AFDC	6,938.72	9,987.67	3.89	3.16	-0.74	-18.89	270.22	315.50	45.28
General Revenue	5,133.68	-	3.17	0.00	-3.17	-100.00	162.56	0.00	-162.56
Const. Grants	3,833.59	1,833.00	2.03	3.49	1.46	71.68	78.00	64.03	-13.97
Interstate Const.	3,768.10	2,421.50	2.38	7.02	4.64	194.87	89.76	170.09	80.33
Ed. Depr. Child	2,950.50	4,138.90	2.31	2.60	0.29	12.62	68.02	107.46	39.44
CDBG: Large	2,604.66	1,920.62	3.23	3.23	0.00	0.08	84.03	62.01	-22.02
S.S. Block Grnt	2,489.62	2,684.53	2.80	2.38	-0.42	-14.96	69.75	63.96	-5.79
School Lunch	2,294.74	2,686.53	2.06	1.52	-0.54	-26.38	47.36	40.82	-6.54
JTPA II-A	1,820.77	1,705.52	1.99	1.19	-0.80	-40.25	36.18	20.25	-15.93
LIHEAP	1,744.17	1,381.09	4.57	4.20	-0.38	-8.23	79.79	57.98	-21.81
Primary System	1,620.38	2,274.79	1.75	1.96	0.21	12.20	28.36	44.67	16.31
UMTA: Large	1,283.77	1,433.00	3.52	3.69	0.16	4.67	45.21	52.82	7.61
Bridge Rep. Reh.	925.14	1,368.91	2.15	4.30	2.15	99.89	19.89	58.83	38.94
WIC	905.87	1,703.44	1.82	1.74	-0.08	-4.40	16.46	29.59	13.13
Food Dist.: Child	901.14	873.51	2.84	2.25	-0.59	-20.68	25.57	19.66	-5.91
CDBG: Small	880.85	798.65	2.56	2.93	0.37	14.56	22.51	23.38	0.87
Ed. of Hand	856.61	1,387.90	3.39	3.09	-0.30	-8.94	29.05	42.86	13.81
Rehab. services	833.41	1,251.79	2.44	2.31	-0.14	-5.55	20.35	28.87	8.52
Interstate 4R	780.06	2,532.12	1.34	1.27	-0.07	-4.89	10.44	32.23	21.79
JTPA IIB	777.29	673.89	2.90	1.85	-1.05	-36.26	22.51	12.44	-10.07
Urban System	772.60	722.51	3.15	2.82	-0.33	-10.53	24.37	20.39	-3.98
Emp. Ser. Admin	718.09	737.51	2.14	2.02	-0.12	-5.61	15.36	14.89	-0.47
UnEm Ins	686.61	1,407.97	2.50	2.52	0.02	0.68	17.19	35.49	18.30
Head Start	684.58	1,059.52	2.68	2.44	-0.23	-8.69	18.32	25.89	7.57
Voc Ed	672.99	793.16	2.63	2.18	-0.44	-16.83	17.67	17.32	-0.35
School Assist	622.66	639.08	1.32	1.79	0.47	35.48	8.22	11.43	3.21
Rural Secondary	580.50	581.08	1.01	1.03	0.02	1.77	5.88	5.99	0.11
Improv School P	437.72	464.75	2.33	2.12	-0.21	-9.05	10.20	9.85	-0.35
Alco.Drug. MH	420.18	478.52	4.05	3.81	-0.24	-5.95	17.03	18.24	1.21
Child Support Enf	393.13	741.65	2.72	3.54	0.81	29.89	10.70	26.22	15.52

Table 1

Total Awards, Massachusetts' Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Refugee Assist	363.43	290.26	1.95	5.82	3.87	197.85	7.10	16.89	9.79
UDAG	356.22	188.19	9.29	9.35	0.06	0.68	33.09	17.60	-15.49
Maternal Child Healt	350.26	448.30	2.34	2.30	-0.04	-1.69	8.21	10.33	2.12
Win	347.90	91.80	3.34	3.32	-0.02	-0.61	11.63	3.05	-8.58
Older Am: Nutr	341.97	426.53	2.79	2.67	-0.13	-4.55	9.55	11.37	1.82
School Break	315.06	427.16	1.56	1.66	0.11	7.02	4.90	7.11	2.21
Foster care	308.75	716.25	0.91	0.67	-0.24	-26.37	2.81	4.80	1.99
Child Care Food	292.02	479.03	2.64	3.25	0.61	23.27	7.71	15.59	7.88
Senior Com. Ser	271.93	324.51	2.53	2.27	-0.26	-10.37	6.89	7.37	0.48
Interstate Sub	256.20	543.89	0.00	1.54	1.54	–	0.00	8.37	8.37
Migrant Ed	256.05	258.46	2.29	1.92	-0.37	-16.12	5.87	4.97	-0.90
Older Am Support	246.04	271.30	2.79	2.66	-0.13	-4.56	6.87	7.23	0.36
Schools & Roads	231.29	317.97	0.00	0.00	0.00	–	0.00	0.00	0.00
Airport Imp: P	219.74	881.76	1.76	1.75	0.00	-0.19	3.86	15.46	11.60
Rail Highway	185.36	155.76	1.32	1.28	-0.04	-2.85	2.45	2.00	-0.45
Wap	174.98	157.88	3.04	3.32	0.28	9.16	5.32	5.24	-0.08
Wat&Waste Disp	172.14	91.67	1.05	1.36	0.31	29.68	1.81	1.25	-0.56
Dislocated Wor	163.40	219.25	1.77	0.81	-0.97	-54.51	2.90	1.77	-1.13
State &Com. High	162.31	102.51	2.28	2.09	-0.19	-8.42	3.70	2.14	-1.56
Child Welfare	157.67	232.34	2.35	1.82	-0.52	-22.23	3.70	4.24	0.54
UMTA: Small	155.09	142.59	4.66	3.55	-1.11	-23.88	7.23	5.06	-2.17
Ed of Handi Child	144.08	149.80	7.04	7.16	0.13	1.78	10.14	10.73	0.59
Hazard Elim	143.54	163.11	2.27	2.08	-0.19	-8.49	3.26	3.39	0.13
Comm. Ser BG	130.10	388.29	5.53	2.72	-2.81	-50.76	7.20	10.58	3.38
Summer Food Child	101.98	110.14	2.32	1.54	-0.78	-33.58	2.37	1.70	-0.67
Adult Ed	97.22	111.98	2.45	2.16	-0.29	-11.72	2.38	2.42	0.04
Ag. Exper. Stat	91.58	107.53	1.24	1.23	-0.02	-1.39	1.14	1.32	0.18
Food Dist: Elderly	85.74	129.93	2.89	3.10	0.21	7.23	2.48	4.03	1.55
Airport Impr:S	32.22	149.57	1.40	1.38	-0.01	-0.91	0.45	2.07	1.62
Total	72,868.47	89,157.27	2.99	3.01	0.02	0.78	2,178.85	2,686.57	507.72

Table 2

Total Awards, Massachusetts' Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real Dollars

	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
Program Name	(in millions of real dollars)				(in percent)	
Medicaid	18,424.99	24,976.50	681.44	875.37	35.56	28.46
AFDC	7,355.04	8,206.80	286.43	259.24	11.58	-9.49
General Revenue	5,441.70	—	172.31	—	—	—
Const. Grants	4,063.61	1,461.72	82.68	51.06	-64.03	-38.24
Interstate Const.	3,768.10	1,878.59	89.76	136.61	-50.14	52.19
Ed. Depr. Child	3,127.53	3,400.90	72.10	88.30	8.74	22.47
CDBG: Large	2,760.94	1,578.16	89.07	50.95	-42.84	-42.80
S.S. Block Grnt	2,396.17	2,140.77	67.13	51.00	-10.66	-24.02
School Lunch	2,432.42	2,282.52	50.20	34.68	-6.16	-30.92
JTPA II-A	1,690.59	1,360.06	33.59	16.15	-19.55	-51.93
LIHEAP	1,848.82	1,101.35	84.58	46.24	-40.43	-45.33
Primary System	1,717.60	1,814.03	30.06	35.62	5.61	18.50
UMTA: Large	1,360.80	1,142.74	47.92	42.12	-16.02	-12.11
Bridge Rep. Reh.	980.65	1,091.63	21.08	46.91	11.32	122.52
WIC	960.22	1,399.70	17.45	24.31	45.77	39.35
Food Dist.: Child	955.21	742.15	27.10	16.70	-22.30	-38.37
CDBG: Small	933.70	656.24	23.86	19.21	-29.72	-19.49
Ed. of Hand	908.01	1,106.78	30.79	34.18	21.89	10.99
Rehab. services	883.41	1,063.54	21.57	24.53	20.39	13.71
Interstate 4R	750.78	1,964.41	10.05	25.00	161.65	148.84
JTPA IIB	823.93	553.73	23.86	10.22	-32.79	-57.16
Urban System	818.96	576.16	25.83	16.26	-29.65	-37.06
Emp. Ser. Admin	666.75	588.13	14.26	11.87	-11.79	-16.74
UnEm Ins	727.81	1,122.78	18.22	28.30	54.27	55.32
Head Start	725.65	844.91	19.42	20.65	16.43	6.32
Voc Ed	713.37	651.73	18.73	14.23	-8.64	-24.02
School Assist	660.02	525.13	8.71	9.39	-20.44	7.79
Rural Secondary	615.33	463.38	6.23	4.78	-24.69	-23.36
Improv School P	421.29	381.88	9.82	8.09	-9.35	-17.56
Alco,Drug, MH	420.18	393.20	17.03	14.99	-6.42	-11.99
Child Support Enf	416.72	630.12	11.34	22.28	51.21	96.41
Refugee Assist	385.24	238.50	7.53	13.88	-38.09	84.41
UDAG	377.59	154.63	35.08	14.46	-59.05	-58.77
Maternal Child Healt	371.28	357.50	8.70	8.24	-3.71	-5.34
Win	368.77	75.43	12.33	2.51	-79.55	-79.67
Older Am: Nutr	362.49	340.14	10.12	9.07	-6.17	-10.43
School Break	333.96	362.92	5.19	6.04	8.67	16.30
Foster care	327.28	608.54	2.98	4.08	85.94	36.92
Child Care Food	309.54	406.99	8.17	13.25	31.48	62.07
Senior Com. Ser	288.25	266.65	7.30	6.06	-7.49	-17.08
Interstate Sub	246.58	421.95	0.00	6.49	71.12	—
Migrant Ed	271.41	212.37	6.22	4.08	-21.75	-34.37
Older Am Support	260.80	216.35	7.28	5.77	-17.05	-20.83

Table 2

Total Awards, Massachusetts' Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real Dollars (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Schools & Roads	245.17	261.27	0.00	0.00	6.57	0.00
Airport Imp: P	219.74	724.54	3.86	12.70	229.72	229.10
Rail Highway	196.48	124.21	2.60	1.59	-36.78	-38.59
Wap	185.48	129.73	5.64	4.31	-30.06	-23.65
Wat&Waste Disp	182.47	75.32	1.92	1.03	-58.72	-46.47
Dislocated Wor	151.72	174.84	2.69	1.41	15.24	-47.58
State &Com. High	172.05	84.23	3.92	1.76	-51.04	-55.17
Child Welfare	167.13	190.91	3.92	3.48	14.23	-11.17
UMTA: Small	164.40	113.71	7.66	4.04	-30.83	-47.35
Ed of Handi Child	152.72	123.09	10.75	8.82	-19.40	-17.97
Hazard Elim	152.15	130.07	3.46	2.70	-14.51	-21.77
Comm. Ser BG	130.10	319.06	7.20	8.69	145.24	20.74
Summer Food Child	108.10	93.58	2.51	1.44	-13.43	-42.51
Adult Ed	103.05	89.30	2.52	1.93	-13.35	-23.50
Ag. Exper. Stat	97.07	88.36	1.21	1.08	-8.98	-10.24
Food Dist: Elderly	90.88	110.39	2.63	3.42	21.46	30.25
Airport Impr:S	34.15	122.90	0.48	1.70	259.85	256.58
Total	76,226.36	72,717.24	2,286.54	2,193.30	-4.60	-4.08

Federal Grant Program Spending:

Michigan

1981 - 1988

Diane DeVaul

Northeast-Midwest Institute
The Center for Regional Policy
218 D Street, S.E.
Washington, D.C. 20003

October 1989

Grants-in-aid to state and local governments constitute one of the four major federal spending categories. (The other three are procurement, salaries and wages, and direct payments to individuals.) Michigan's share of the total amount of federal grants to state and local governments fell from 4.40 percent to 3.86 percent between fiscal 1981 and fiscal 1988. Two criteria often are used to compare states' performance in receipt of grant funds: relative tax burden and population. Michigan's tax burden--its payment of federal revenues--fell from 4.56 percent to 3.86 percent during this period, and its population fell from 4.01 to 3.76 percent of the U.S. total. Figure 1 compares Michigan's population and tax burden to its receipt of grants in all federal programs and the 60 largest programs.

A recent report published by the Northeast-Midwest Institute, Federal Funding Formulas and State Allocations: What Share for the Northeast and Midwest? examines 56 programs that awarded grants over $100 million in fiscal 1981, plus four others that reached $100 million by fiscal 1988. Grants to Michigan in these programs increased in nominal dollars from $3,311.2 million to $3,730.6 million, but its percentage share fell from 4.54 to 4.18 percent of the total during the period studied. Table 1 presents the amount Michigan received in these 60 programs and its share relative to other states. The programs are listed in descending order of dollar amounts awarded in fiscal 1981 or the first year of program operation. Awards in the "first" year are compared to those in the "last" year--the latest fiscal year for which state-by-state allocations are available from government agencies; years range from fiscal 1987 to fiscal 1990. Table 2 presents similar information in 1982 (real) dollars. It shows that Michigan's funding dropped 12.11 percent, from $3,467.3 million to $3,047.4 million, compared to a 4.6 percent decline for grant programs nationally.

The state's receipts fell in real dollars for about two-thirds of the grant programs. Those programs that increased in funding include: Medicaid, Aid to Families with Dependent Children, the Interstate 4R Program, and the Foster Care and Education of Deprived Children programs. These increases were offset by losses in the Construction Grants for Wastewater Treatment, Interstate Construction, Urban Development Action Grant, and Community Development Block Grant programs. Michigan's overall receipts would have fallen even more without increases in its share of the Foster Care, Migrant Education, and Refugee Assistance programs. The state also benefited from a large increase nationally in the Medicaid program.

Programs Gaining the Most in Funding for Michigan

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Medicaid	-0.08	504.49	245.81
2. AFDC	-0.58	187.55	21.21
3. Interstate 4R	0.00	58.20	40.30
4. Foster Care	2.19	39.16	29.53
5. Educ. Deprived Children	-0.35	38.18	0.32

Programs Losing the Most in Funding for Michigan

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Const. Grants (wastewater)	-0.95	-124.95	-153.73
2. Interstate Construction	-0.81	-53.41	-62.64
3. UDAG	-12.37	-51.79	-56.96
4. CDBG: Large Cities	-0.32	-38.98	-61.81
5. LIHEAP	-0.66	-31.60	-53.50

Programs in which Michigan's Share Increased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. Foster Care	5.76	7.95	2.19	38.05	39.16
2. Water & Waste Disposal	3.23	4.18	0.95	29.35	-1.73
3. JTPA IIB	4.74	5.43	0.70	14.75	-0.19
4. Migrant Education	2.52	3.15	0.63	25.07	1.69
5. Refugee Assistance	1.38	1.91	0.53	38.15	0.52

Programs in which Michigan's Share Decreased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. UDAG	16.97	4.60	-12.37	-72.88	-51.79
2. Comm. Serv. Block Grant	9.07	4.05	-5.02	-55.33	3.93
3. UMTA: Large	4.52	2.30	-2.21	-48.96	-24.94
4. UMTA: Small	4.76	3.16	-1.60	-33.62	-2.88
5. Unemploy Ins.	6.11	4.84	-1.27	-20.82	26.18

With politicians reluctant to consider tax increases or entitlement and military reductions, competition for domestic discretionary program funds--social and economic development initiatives of interest to states and communities--has become fierce. Recent decisions made by Congress and the administration--bailing out insolvent savings and loan institutions, cleaning up the Department of Energy's nuclear facilities, promoting NASA's $30-billion space station, and building the superconducting supercollider--will divert many of these scarce federal dollars away from Michigan and toward states in the South and West. Michigan taxpayers, for example, will pay an estimated $1,060 million for the 1988 savings and loan bail-out actions, although the state's failed institutions will need only $175 million.

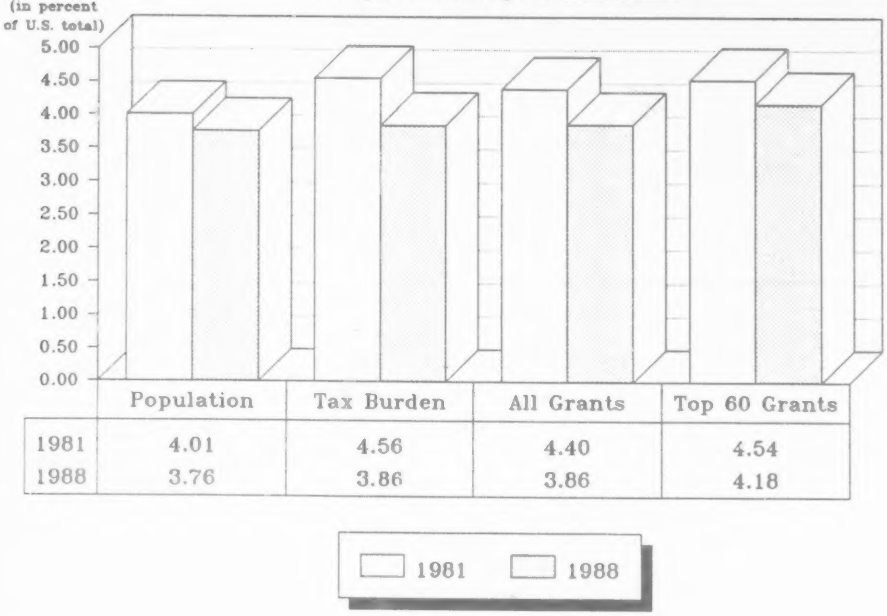
Two factors will continue to affect Michigan's receipt of grant funds: increases or cuts in overall appropriations, and gains or losses in the state's share of total funds allocated. The 1990 census may hurt Michigan on both of these factors. The Northeast-Midwest region probably will lose 14 seats in the House of Representatives. Michigan likely will lose two seats. This loss of political influence will diminish the ability of members from these states to set funding priorities and defend programs of particular benefit to the region from spending cuts.

In addition, funds for 39 of the 60 major grant programs studied are allocated in part on the basis of population. Some formulas consider the entire population while others target specific sectors, such as school-age children, older Americans, the unemployed, or those living in poverty. Some grant programs use annual population estimates to adjust the allocations. In those cases, estimated population loss accounts for some of the observed decline in Michigan's share of funding in these programs. Twenty major programs, however, use decennial census population factors in their formulas. Because Michigan has not kept pace with the national growth in population, falling from 4.01 percent in 1981 to an estimated 3.72 percent by 1990, the state can expect that the use of 1990 census numbers, which take effect in 1992, will reduce its receipt of funds.

Many grant formulas work against the interests of Michigan and other states in the Northeast-Midwest region by underestimating the need for federal assistance, overestimating fiscal (tax-raising) capacity, and underestimating the costs of service responsibilities. For lawmakers interested in promoting more equitable patterns of funding, many opportunities exist to target federal grants more precisely to the people and places in greatest need. Many grant formulas were fashioned years ago when Congress was less concerned with budget deficits. As a result, formulas frequently contain crude and inaccurate factors approximating states' needs and their ability to meet those needs. Congress can correct these distortions when it reauthorizes the grant programs.

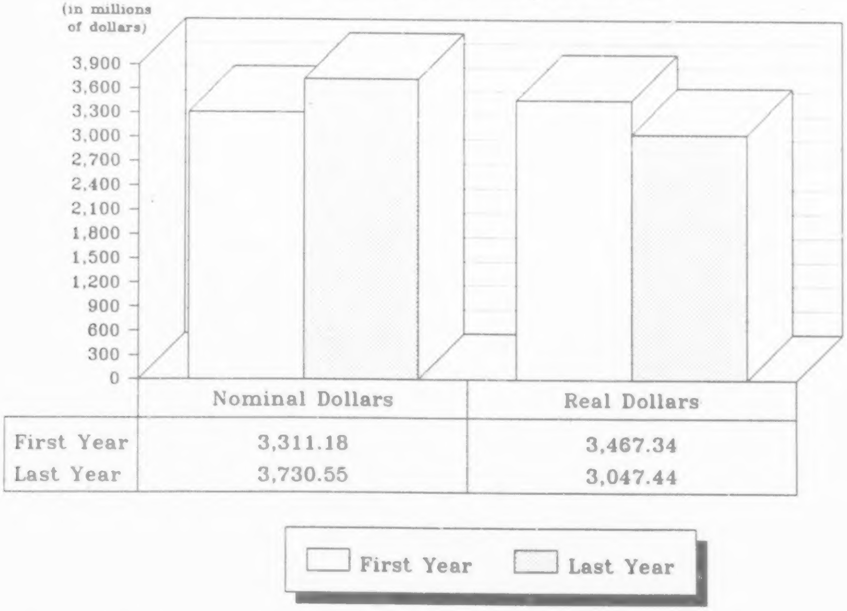
Michigan

Figure 1. State Population and Tax Burden Compared to Receipt of Grant Funds



	Population	Tax Burden	All Grants	Top 60 Grants
1981	4.01	4.56	4.40	4.54
1988	3.76	3.86	3.86	4.18

Figure 2. Total State Federal Funding for 60 Largest Grants



	Nominal Dollars	Real Dollars
First Year	3,311.18	3,467.34
Last Year	3,730.55	3,047.44

Table 1
Total Awards, Michigan's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Medicaid	17,382.07	30,396.40	4.07	3.99	-0.08	-2.07	708.03	1,212.52	504.49
AFDC	6,938.72	9,987.67	8.04	7.46	-0.58	-7.16	557.67	745.22	187.55
General Revenue	5,133.68	--	4.28	0.00	-4.28	-100.00	219.48	0.00	-219.48
Const. Grants	3,833.59	1,833.00	5.37	4.42	-0.95	-17.69	206.04	81.09	-124.95
Interstate Const.	3,768.10	2,421.50	2.51	1.70	-0.81	-32.26	94.58	41.17	-53.41
Ed. Depr. Child	2,950.50	4,138.90	4.42	4.07	-0.35	-7.82	130.29	168.47	38.18
CDBG: Large	2,604.66	1,920.62	4.80	4.48	-0.32	-6.70	124.94	85.96	-38.98
S.S. Block Grnt	2,489.62	2,684.53	4.86	3.76	-1.10	-22.67	121.06	100.94	-20.12
School Lunch	2,294.74	2,686.53	3.08	2.75	-0.33	-10.76	70.75	73.92	3.17
JTPA II-A	1,820.77	1,705.52	5.71	5.58	-0.13	-2.22	103.93	95.19	-8.74
LIHEAP	1,744.17	1,381.09	6.18	5.52	-0.66	-10.74	107.77	76.17	-31.60
Primary System	1,620.38	2,274.79	3.62	3.64	0.02	0.44	58.68	82.74	24.06
UMTA: Large	1,283.77	1,433.00	4.52	2.30	-2.21	-48.96	57.97	33.03	-24.94
Bridge Rep. Reh.	925.14	1,368.91	1.46	1.92	0.46	31.60	13.48	26.25	12.77
WIC	905.87	1,703.44	3.49	3.74	0.25	7.18	31.59	63.67	32.08
Food Dist.: Child	901.14	873.51	3.44	2.55	-0.89	-25.92	31.04	22.29	-8.75
CDBG: Small	880.85	798.65	3.23	3.37	0.15	4.59	28.42	26.95	-1.47
Ed. of Hand	856.61	1,387.90	3.81	3.55	-0.26	-6.82	32.66	49.31	16.65
Rehab. services	833.41	1,251.79	3.59	3.59	0.00	-0.03	29.95	44.97	15.02
Interstate 4R	780.06	2,532.12	3.33	3.32	0.00	-0.10	25.95	84.15	58.20
JTPA IIB	777.29	673.89	4.74	5.43	0.70	14.75	36.81	36.62	-0.19
Urban System	772.60	722.51	4.26	3.82	-0.44	-10.39	32.90	27.57	-5.33
Emp. Ser. Admin	718.09	737.51	3.92	3.83	-0.09	-2.18	28.13	28.26	0.13
UnEm Ins	686.61	1,407.97	6.11	4.84	-1.27	-20.82	41.98	68.16	26.18
Head Start	684.58	1,059.52	4.67	4.67	0.00	-0.07	32.00	49.49	17.49
Voc Ed	672.99	793.16	4.03	3.97	-0.06	-1.40	27.09	31.48	4.39
School Assist	622.66	639.08	1.10	1.08	-0.02	-1.86	6.88	6.93	0.05
Rural Secondary	580.50	581.08	3.07	3.01	-0.06	-2.06	17.83	17.48	-0.35
Improv School P	437.72	464.75	4.16	3.95	-0.21	-4.99	18.22	18.38	0.16
Alco,Drug, MH	420.18	478.52	3.12	3.27	0.15	4.77	13.10	15.63	2.53
Child Support Enf	393.13	741.65	5.79	5.26	-0.53	-9.23	22.77	38.99	16.22

Table 1

Total Awards, Michigan's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)			(in percent)			(in millions of nominal dollars)		
Refugee Assist	363.43	290.26	1.38	1.91	0.53	38.15	5.03	5.55	0.52
UDAG	356.22	188.19	16.97	4.60	-12.37	-72.88	60.45	8.66	-51.79
Maternal Child Healt	350.26	448.30	3.70	3.69	-0.01	-0.30	12.97	16.55	3.58
Win	347.90	91.80	7.12	7.27	0.14	2.01	24.78	6.67	-18.11
Older Am: Nutr	341.97	426.53	3.56	3.50	-0.06	-1.66	12.18	14.94	2.76
School Break	315.06	427.16	1.41	1.04	-0.37	-26.08	4.45	4.46	0.01
Foster care	308.75	716.25	5.76	7.95	2.19	38.05	17.78	56.94	39.16
Child Care Food	292.02	479.03	4.49	3.49	-1.00	-22.29	13.10	16.70	3.60
Senior Com. Ser	271.93	324.51	3.26	3.40	0.14	4.30	8.87	11.04	2.17
Interstate Sub	256.20	543.89	0.00	0.00	0.00	--	0.00	0.00	0.00
Migrant Ed	256.05	258.46	2.52	3.15	0.63	25.07	6.44	8.13	1.69
Older Am Support	246.04	271.30	3.56	3.50	-0.06	-1.65	8.76	9.50	0.74
Schools & Roads	231.29	317.97	0.35	0.25	-0.10	-29.06	0.81	0.79	-0.02
Airport Imp: P	219.74	881.76	2.59	1.55	-1.03	-39.95	5.69	13.71	8.02
Rail Highway	185.36	155.76	3.75	3.42	-0.33	-8.87	6.96	5.33	-1.63
Wap	174.98	157.88	7.00	6.76	-0.24	-3.46	12.25	10.67	-1.58
Wat&Waste Disp	172.14	91.67	3.23	4.18	0.95	29.35	5.56	3.83	-1.73
Dislocated Wor	163.40	219.25	7.09	6.60	-0.49	-6.94	11.58	14.46	2.88
State &Com. High	162.31	102.51	3.99	3.77	-0.23	-5.68	6.48	3.86	-2.62
Child Welfare	157.67	232.34	4.08	3.93	-0.15	-3.69	6.44	9.14	2.70
UMTA: Small	155.09	142.59	4.76	3.16	-1.60	-33.62	7.39	4.51	-2.88
Ed of Handi Child	144.08	149.80	5.45	5.01	-0.44	-7.98	7.85	7.51	-0.34
Hazard Elim	143.54	163.11	3.99	3.76	-0.23	-5.85	5.73	6.13	0.40
Comm. Ser BG	130.10	388.29	9.07	4.05	-5.02	-55.33	11.80	15.73	3.93
Summer Food Child	101.98	110.14	4.12	3.85	-0.27	-6.53	4.20	4.24	0.04
Adult Ed	97.22	111.98	4.03	3.66	-0.37	-9.19	3.92	4.10	0.18
Ag. Exper. Stat	91.58	107.53	3.12	3.18	0.06	1.84	2.86	3.42	0.56
Food Dist: Elderly	85.74	129.93	4.41	4.59	0.18	4.05	3.78	5.96	2.18
Airport Impr:S	32.22	149.57	3.35	3.36	0.00	0.13	1.08	5.02	3.94
Total/Weighted Avg.	**72,868.47**	**89,157.27**	**4.54**	**4.18**	**-0.36**	**-7.92**	**3,311.18**	**3,730.55**	**419.37**

Table 2

Total Awards, Michigan's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real (1982) Dollars

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Medicaid	18,424.99	24,976.50	750.51	996.32	35.56	32.75
AFDC	7,355.04	8,206.80	591.13	612.34	11.58	3.59
General Revenue	5,441.70	--	232.65	--	--	--
Const. Grants	4,063.61	1,461.72	218.40	64.67	-64.03	-70.39
Interstate Const.	3,768.10	1,878.59	94.58	31.94	-50.14	-66.23
Ed. Depr. Child	3,127.53	3,400.90	138.11	138.43	8.74	0.23
CDBG: Large	2,760.94	1,578.16	132.44	70.63	-42.84	-46.67
S.S. Block Grnt	2,396.17	2,140.77	116.52	80.49	-10.66	-30.92
School Lunch	2,432.42	2,282.52	75.00	62.80	-6.16	-16.26
JTPA II-A	1,690.59	1,360.06	96.50	75.91	-19.55	-21.34
LIHEAP	1,848.82	1,101.35	114.24	60.74	-40.43	-46.83
Primary System	1,717.60	1,814.03	62.20	65.98	5.61	6.08
UMTA: Large	1,360.80	1,142.74	61.45	26.34	-16.02	-57.14
Bridge Rep. Reh.	980.65	1,091.63	14.29	20.93	11.32	46.50
WIC	960.22	1,399.70	33.49	52.32	45.77	56.24
Food Dist.: Child	955.21	742.15	32.90	18.94	-22.30	-42.44
CDBG: Small	933.70	656.24	30.13	22.14	-29.72	-26.49
Ed. of Hand	908.01	1,106.78	34.62	39.32	21.89	13.58
Rehab. services	883.41	1,063.54	31.75	38.21	20.39	20.35
Interstate 4R	750.78	1,964.41	24.98	65.28	161.65	161.38
JTPA IIB	823.93	553.73	39.02	30.09	-32.79	-22.88
Urban System	818.96	576.16	34.87	21.99	-29.65	-36.96
Emp. Ser. Admin	666.75	588.13	26.12	22.54	-11.79	-13.72
UnEm Ins	727.81	1,122.78	44.50	54.35	54.27	22.15
Head Start	725.65	844.91	33.92	39.47	16.43	16.35
Voc Ed	713.37	651.73	28.72	25.87	-8.64	-9.92
School Assist	660.02	525.13	7.29	5.69	-20.44	-21.92
Rural Secondary	615.33	463.38	18.90	13.94	-24.69	-26.25
Improv School P	421.29	381.88	17.54	15.10	-9.35	-13.88
Alco,Drug, MH	420.18	393.20	13.10	12.84	-6.42	-1.96
Child Support Enf	416.72	630.12	24.14	33.13	51.21	37.25
Refugee Assist	385.24	238.50	5.33	4.56	-38.09	-14.47
UDAG	377.59	154.63	64.08	7.12	-59.05	-88.89
Maternal Child Healt	371.28	357.50	13.75	13.20	-3.71	-4.00
Win	368.77	75.43	26.27	5.48	-79.55	-79.13
Older Am: Nutr	362.49	340.14	12.91	11.91	-6.17	-7.72
School Break	333.96	362.92	4.72	3.79	8.67	-19.67
Foster care	327.28	608.54	18.85	48.38	85.94	156.69
Child Care Food	309.54	406.99	13.89	14.19	31.48	2.18
Senior Com. Ser	288.25	266.65	9.40	9.07	-7.49	-3.52
Interstate Sub	246.58	421.95	0.00	0.00	71.12	--
Migrant Ed	271.41	212.37	6.83	6.68	-21.75	-2.14
Older Am Support	260.80	216.35	9.29	7.58	-17.05	-18.41

Table 2

Total Awards, Michigan's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real (1982) Dollars (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Schools & Roads	245.17	261.27	0.86	0.65	6.57	0.00
Airport Imp: P	219.74	724.54	5.69	11.27	229.72	97.99
Rail Highway	196.48	124.21	7.38	4.25	-36.78	-42.39
Wap	185.48	129.73	12.99	8.77	-30.06	-32.48
Wat&Waste Disp	182.47	75.32	5.89	3.15	-58.72	-46.60
Dislocated Wor	151.72	174.84	10.75	11.53	15.24	7.25
State &Com. High	172.05	84.23	6.87	3.17	-51.04	-53.82
Child Welfare	167.13	190.91	6.83	7.51	14.23	10.02
UMTA: Small	164.40	113.71	7.83	3.60	-30.83	-54.09
Ed of Handi Child	152.72	123.09	8.32	6.17	-19.40	-25.84
Hazard Elim	152.15	130.07	6.07	4.89	-14.51	-19.52
Comm. Ser BG	130.10	319.06	11.80	12.93	145.24	9.54
Summer Food Child	108.10	93.58	4.45	3.60	-13.43	-19.08
Adult Ed	103.05	89.30	4.16	3.27	-13.35	-21.31
Ag. Exper. Stat	97.07	88.36	3.03	2.81	-8.98	-7.30
Food Dist: Elderly	90.88	110.39	4.01	5.06	21.46	26.38
Airport Impr:S	34.15	122.90	1.14	4.12	259.85	260.32
Total/Weighted Avg.	76,226.36	72,717.24	3,467.34	3,047.44	-4.60	-12.11

Federal Grant Program Spending:

Minnesota

1981 - 1988

Diane DeVaul

Northeast-Midwest Institute
The Center for Regional Policy
218 D Street, S.E.
Washington, D.C. 20003

October 1989

Grants-in-aid to state and local governments constitute one of the four major federal spending categories. (The other three are procurement, salaries and wages, and direct payments to individuals.) Minnesota's share of the total amount of federal grants to state and local governments rose from 1.90 percent to 1.93 percent between fiscal 1981 and fiscal 1988. Two criteria often are used to compare states' performance in receipt of grant funds: relative tax burden and population. Minnesota's tax burden--its payment of federal revenues--fell from 1.80 percent to 1.78 percent during this period, and its population fell from 1.79 to 1.74 of the U.S. total. Figure 1 compares Minnesota's population and tax burden to its receipt of grants in all federal programs and the 60 largest programs.

A recent report published by the Northeast-Midwest Institute, Federal Funding Formulas and State Allocations: What Share for the Northeast and Midwest? examines 56 programs that awarded grants over $100 million in fiscal 1981, plus four others that reached $100 million by fiscal 1988. Grants to Minnesota in these programs increased in nominal dollars from $1,486.6 million to $1,670.1 million, but its percentage share fell from 2.04 to 1.87 percent of the total during the period studied. Table 1 presents the amount Minnesota received in these 60 programs and its share relative to other states. The programs are listed in descending order of dollar amounts awarded in fiscal 1981 or the first year of program operation. Awards in the "first" year are compared to the "last" year--the latest fiscal year for which state-by-state allocations are available from government agencies; years range from fiscal 1987 to fiscal 1990. Table 2 presents similar information in 1982 (real) dollars. It shows that Minnesota's funding dropped 12.5 percent, from $1,557.0 million to $1,362.8 million, compared to a 4.6 percent decline for grant programs nationally.

The state's receipts fell in real dollars for about two-thirds of the grant programs. Those that increased include: Medicaid; Aid to Families with Dependent Children; Interstate 4R; Unemployment Insurance; and the Supplemental Food Program for Women, Infants and Children. These increases were not enough to offset losses in other programs, including Construction Grants for Wastewater Treatment; Interstate Construction; and the Low-Income Home Energy Assistance Program. Minnesota's share of funding went up in the Community Service Block Grants and Unemployment Insurance programs, and to lesser extent, in the Food Distribution, School Assistance, and the Alcohol, Drug, and Mental Health Block Grant programs. Its share fell in others, especially the Interstate Substitution, Bridge Replacement and Rehabilitation, and Refugee Assistance programs. Minnesota benefited from a large increase nationally in the Medicaid program.

Programs Gaining the Most in Funding for Minnesota

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Medicaid	-0.10	271.18	126.55
2. AFDC	-0.09	50.97	9.29
3. Interstate 4R	-0.04	32.69	22.56
4. Unemploy Insurance	0.36	14.57	9.26
5. WIC	-0.23	10.46	4.71

Programs Losing the Most in Funding for Minnesota

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Const. Grants (wastewater)	-0.11	-42.20	-53.83
2. Interstate Construction	-0.31	-33.59	-42.38
3. LIHEAP	-0.02	-14.78	-30.07
4. Bridge Repl./Rehab.	-2.09	-13.67	-19.07
5. CDBG: Large Cities	-0.14	-13.66	-21.20

Programs in which Minnesota's Share Increased the Most

	Share First Year (in percent)	Share Last Year (in percent)	Difference (in percent)	Change (in percent)	Difference in Millions of Nominal Dollars
1. Comm. Serv. Block Grant	0.93	1.32	0.39	41.50	3.90
2. Unemploy. Insurance	1.31	1.67	0.36	27.89	14.57
3. Food Dist. Elderly	1.73	2.03	0.31	17.71	1.16
4. School Assistance	0.69	0.82	0.13	18.86	0.95
5. Alcohol, Drug, MH	0.84	0.98	0.14	16.01	1.14

Programs in which Minnesota's Share Decreased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. Interstate Sub.	4.18	0.52	-3.65	-87.50	-7.86
2. Bridge Repl./Rehab.	3.36	1.27	-2.09	-62.12	-13.67
3. Refugee Assistance	5.75	4.50	-1.25	-21.80	-7.85
4. UDAG	2.22	1.16	-1.06	-47.83	-5.73
5. Dislocated Workers	1.51	1.04	-0.48	-31.51	-0.20

With politicians reluctant to consider tax increases or entitlement and military reductions, competition for domestic discretionary program funds--social and economic development initiatives of interest to states and communities--has become fierce. Recent decisions made by Congress and the administration--bailing out insolvent savings and loan institutions, cleaning up the Department of Energy's nuclear facilities, promoting NASA's $30-billion space station, and building the superconducting supercollider--will divert many of these scarce federal dollars away from Minnesota and toward states in the South and West. Minnesota taxpayers, for example, will pay an estimated $465 million for the 1988 savings and loan bail-out actions, although the few state institutions that failed will require only $299 million.

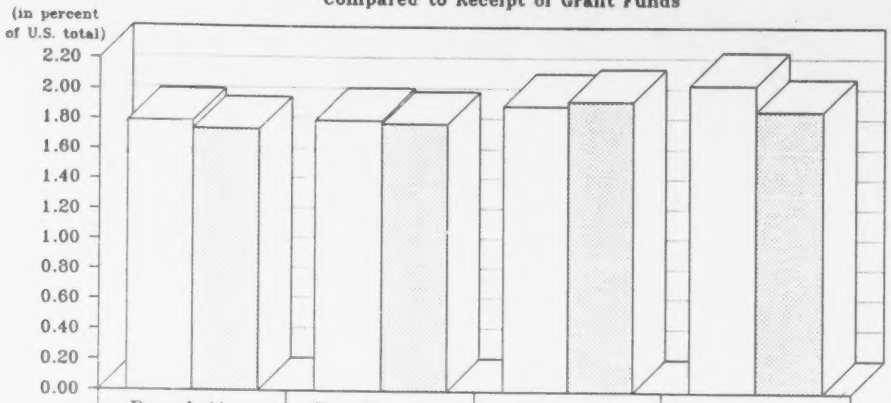
Two factors will continue to affect Minnesota's receipt of grant program funds: increases or cuts in overall appropriations, and gains or losses in the state's share of total funds allocated. The 1990 census may well hurt Minnesota on both of these factors. The Northeast-Midwest region probably will lose 14 seats in the House of Representatives. This loss of political influence will diminish the ability of members from these states to set funding priorities and to defend programs of particular benefit to the region from spending cuts.

In addition, funds for 39 of the 60 major grant programs studied are allocated in part on the basis of population. Some formulas consider the entire population while others target specific sectors, such as school-age children, older Americans, the unemployed, or those living in poverty. Some grant programs use annual population estimates to adjust the allocations. In those cases, estimated population loss accounts for some of the observed decline in Minnesota's share of funding in these programs. Twenty major programs, however, use decennial census population factors in their formulas. Because Minnesota has not kept pace with the national growth in population, falling from 1.79 percent in 1981 to an estimated 1.73 percent by 1990, the state can expect that use of the 1990 census numbers, which take effect in 1992, will reduce its receipt of funds.

Many grant formulas work against the interests of Minnesota and other states in the Northeast-Midwest region by underestimating the need for federal assistance, overestimating fiscal (tax-raising) capacity, and underestimating the cost of service responsibilities. For lawmakers interested in promoting more equitable patterns of funding, many opportunities exist to target federal grants more precisely to the people and places in greatest need. Many grant formulas were fashioned years ago when Congress was less concerned with budget deficits. As a result, formulas frequently contain crude and inaccurate factors approximating states' needs and their ability to meet those needs. Congress can correct these distortions when it reauthorizes the grant programs.

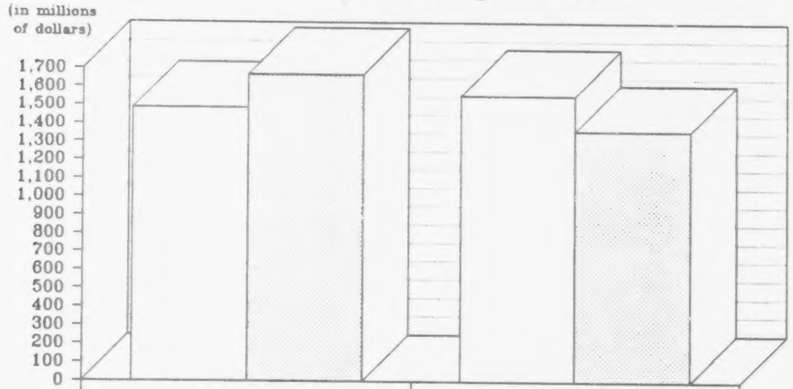
Minnesota

Figure 1. State Population and Tax Burden Compared to Receipt of Grant Funds



	Population	Tax Burden	All Grants	Top 60 Grants
1981	1.79	1.80	1.90	2.04
1988	1.74	1.78	1.93	1.87

Figure 2. Total State Federal Funding for 60 Largest Grants



	Nominal Dollars	Real Dollars
First Year	1,486.56	1,556.97
Last Year	1,670.09	1,362.79

Table 1

Total Awards, Minnesota's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Medicaid	17,382.07	30,396.40	2.32	2.22	-0.10	-4.43	403.98	675.16	271.18
AFDC	6,938.72	9,987.67	1.97	1.88	-0.09	-4.63	136.75	187.72	50.97
General Revenue	5,133.68	--	2.03	0.00	-2.03	-100.00	104.11	0.00	-104.11
Const. Grants	3,833.59	1,833.00	2.00	1.89	-0.11	-5.69	76.86	34.66	-42.20
Interstate Const.	3,768.10	2,421.50	1.93	1.62	-0.31	-16.20	72.79	39.20	-33.59
Ed. Depr. Child	2,950.50	4,138.90	1.33	1.18	-0.14	-10.87	39.11	48.90	9.79
CDBG: Large	2,604.66	1,920.62	1.61	1.47	-0.14	-8.61	41.89	28.23	-13.66
S.S. Block Grnt	2,489.62	2,684.53	2.15	1.74	-0.41	-19.18	53.59	46.70	-6.89
School Lunch	2,294.74	2,686.53	1.44	1.33	-0.12	-8.11	33.11	35.62	2.51
JTPA II-A	1,820.77	1,705.52	1.49	1.19	-0.30	-20.07	27.18	20.35	-6.83
LIHEAP	1,744.17	1,381.09	3.99	3.97	-0.02	-0.51	69.65	54.87	-14.78
Primary System	1,620.38	2,274.79	2.27	1.91	-0.36	-15.85	36.84	43.52	6.68
UMTA: Large	1,283.77	1,433.00	1.24	0.96	-0.28	-22.43	15.88	13.75	-2.13
Bridge Rep. Reh.	925.14	1,368.91	3.36	1.27	-2.09	-62.12	31.10	17.43	-13.67
WIC	905.87	1,703.44	1.80	1.57	-0.23	-12.72	16.31	26.77	10.46
Food Dist.: Child	901.14	873.51	1.81	1.76	-0.05	-2.67	16.28	15.36	-0.92
CDBG: Small	880.85	798.65	2.24	2.20	-0.04	-1.68	19.72	17.58	-2.14
Ed. of Hand	856.61	1,387.90	2.16	1.97	-0.19	-8.76	18.48	27.32	8.84
Rehab. services	833.41	1,251.79	1.79	1.77	-0.02	-1.20	14.92	22.14	7.22
Interstate 4R	780.06	2,532.12	1.92	1.88	-0.04	-1.97	14.98	47.67	32.69
JTPA IIB	777.29	673.89	1.34	1.16	-0.17	-12.85	10.39	7.85	-2.54
Urban System	772.60	722.51	1.60	1.53	-0.07	-4.47	12.38	11.06	-1.32
Emp. Ser. Admin	718.09	737.51	1.67	1.61	-0.06	-3.45	11.97	11.87	-0.10
UnEm Ins	686.61	1,407.97	1.31	1.67	0.36	27.89	8.98	23.55	14.57
Head Start	684.58	1,059.52	1.16	1.23	0.07	6.43	7.91	13.03	5.12
Voc Ed	672.99	793.16	1.93	1.71	-0.22	-11.30	13.01	13.60	0.59
School Assist	622.66	639.08	0.69	0.82	0.13	18.86	4.32	5.27	0.95
Rural Secondary	580.50	581.08	2.59	2.46	-0.13	-4.95	15.05	14.32	-0.73
Improv School P	437.72	464.75	1.75	1.71	-0.05	-2.75	7.68	7.93	0.25
Alco,Drug, MH	420.18	478.52	0.84	0.98	0.14	16.01	3.55	4.69	1.14
Child Support Enf	393.13	741.65	2.47	2.15	-0.32	-12.84	9.70	15.95	6.25

Table 1

Total Awards, Minnesota's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Refugee Assist	363.43	290.26	5.75	4.50	-1.25	-21.80	20.91	13.06	-7.85
UDAG	356.22	188.19	2.22	1.16	-1.06	-47.83	7.91	2.18	-5.73
Maternal Child Health	350.26	448.30	1.91	1.84	-0.07	-3.51	6.68	8.25	1.57
Win	347.90	91.80	1.99	2.02	0.02	1.02	6.94	1.85	-5.09
Older Am: Nutr	341.97	426.53	1.81	1.74	-0.07	-4.02	6.19	7.41	1.22
School Break	315.06	427.16	0.50	0.43	-0.08	-15.57	1.59	1.82	0.23
Foster care	308.75	716.25	1.53	1.39	-0.13	-8.84	4.71	9.96	5.25
Child Care Food	292.02	479.03	4.48	4.18	-0.30	-6.72	13.07	20.00	6.93
Senior Com. Ser	271.93	324.51	2.53	2.36	-0.17	-6.72	6.89	7.67	0.78
Interstate Sub	256.20	543.89	4.18	0.52	-3.65	-87.50	10.70	2.84	-7.86
Migrant Ed	256.05	258.46	0.77	0.52	-0.25	-32.11	1.97	1.35	-0.62
Older Am Support	246.04	271.30	1.81	1.74	-0.07	-4.01	4.45	4.71	0.26
Schools & Roads	231.29	317.97	0.49	0.38	-0.11	-22.79	1.14	1.21	0.07
Airport Imp: P	219.74	881.76	1.36	1.25	-0.11	-8.40	2.99	10.99	8.00
Rail Highway	185.36	155.76	2.85	2.69	-0.16	-5.56	5.28	4.19	-1.09
Wap	174.98	157.88	5.19	5.04	-0.16	-3.07	9.09	7.95	-1.14
Wat&Waste Disp	172.14	91.67	2.21	1.94	-0.27	-12.04	3.80	1.78	-2.02
Dislocated Wor	163.40	219.25	1.51	1.04	-0.48	-31.51	2.47	2.27	-0.20
State &Com. High	162.31	102.51	2.18	2.14	-0.04	-2.05	3.54	2.19	-1.35
Child Welfare	157.67	232.34	1.87	1.73	-0.15	-7.75	2.95	4.01	1.06
UMTA: Small	155.09	142.59	1.37	1.07	-0.29	-21.50	2.12	1.53	-0.59
Ed of Handi Child	144.08	149.80	0.43	0.19	-0.24	-56.56	0.62	0.28	-0.34
Hazard Elim	143.54	163.11	2.18	2.14	-0.04	-1.88	3.13	3.49	0.36
Comm. Ser BG	130.10	388.29	0.93	1.32	0.39	41.50	1.21	5.11	3.90
Summer Food Child	101.98	110.14	1.20	1.02	-0.18	-15.00	1.22	1.12	-0.10
Adult Ed	97.22	111.98	1.65	1.54	-0.11	-6.67	1.60	1.72	0.12
Ag. Exper. Stat	91.58	107.53	3.02	3.11	0.08	2.69	2.77	3.34	0.57
Food Dist: Elderly	85.74	129.93	1.73	2.03	0.31	17.71	1.48	2.64	1.16
Airport Impr:S	32.22	149.57	2.08	2.07	-0.01	-0.33	0.67	3.10	2.43
Total/Weighted Avg.	**72,868.47**	**89,157.27**	**2.04**	**1.87**	**-0.17**	**-8.18**	**1,486.56**	**1,670.09**	**183.53**

Table 2
Total Awards, Minnesota's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real Dollars

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Medicaid	18,424.99	24,976.50	428.22	554.77	35.56	29.55
AFDC	7,355.04	8,206.80	144.96	154.25	11.58	6.41
General Revenue	5,441.70	--	110.36	--	--	--
Const. Grants	4,063.61	1,461.72	81.47	27.64	-64.03	-66.07
Interstate Const.	3,768.10	1,878.59	72.79	30.41	-50.14	-58.22
Ed. Depr. Child	3,127.53	3,400.90	41.46	40.18	8.74	-3.08
CDBG: Large	2,760.94	1,578.16	44.40	23.20	-42.84	-47.76
S.S. Block Grnt	2,396.17	2,140.77	51.58	37.24	-10.66	-27.80
School Lunch	2,432.42	2,282.52	35.10	30.26	-6.16	-13.77
JTPA II-A	1,690.59	1,360.06	25.24	16.23	-19.55	-35.70
LIHEAP	1,848.82	1,101.35	73.83	43.76	-40.43	-40.73
Primary System	1,717.60	1,814.03	39.05	34.70	5.61	-11.13
UMTA: Large	1,360.80	1,142.74	16.83	10.96	-16.02	-34.86
Bridge Rep. Reh.	980.65	1,091.63	32.97	13.90	11.32	-57.84
WIC	960.22	1,399.70	17.29	22.00	45.77	27.23
Food Dist.: Child	955.21	742.15	17.26	13.05	-22.30	-24.38
CDBG: Small	933.70	656.24	20.90	14.45	-29.72	-30.89
Ed. of Hand	908.01	1,106.78	19.59	21.79	21.89	11.22
Rehab. services	883.41	1,063.54	15.82	18.81	20.39	18.94
Interstate 4R	750.78	1,964.41	14.42	36.98	161.65	156.51
JTPA IIB	823.93	553.73	11.01	6.45	-32.79	-41.43
Urban System	818.96	576.16	13.12	8.82	-29.65	-32.79
Emp. Ser. Admin	666.75	588.13	11.11	9.47	-11.79	-14.83
UnEm Ins	727.81	1,122.78	9.52	18.78	54.27	97.29
Head Start	725.65	844.91	8.38	10.39	16.43	23.93
Voc Ed	713.37	651.73	13.79	11.18	-8.64	-18.97
School Assist	660.02	525.13	4.58	4.33	-20.44	-5.44
Rural Secondary	615.33	463.38	15.95	11.42	-24.69	-28.42
Improv School P	421.29	381.88	7.39	6.52	-9.35	-11.85
Alco,Drug, MH	420.18	393.20	3.55	3.85	-6.42	8.56
Child Support Enf	416.72	630.12	10.28	13.55	51.21	31.80
Refugee Assist	385.24	238.50	22.16	10.73	-38.09	-51.58
UDAG	377.59	154.63	8.38	1.79	-59.05	-78.64
Maternal Child Healt	371.28	357.50	7.08	6.58	-3.71	-7.09
Win	368.77	75.43	7.36	1.52	-79.55	-79.34
Older Am: Nutr	362.49	340.14	6.56	5.91	-6.17	-9.94
School Break	333.96	362.92	1.69	1.55	8.67	-8.25
Foster care	327.28	608.54	4.99	8.46	85.94	69.49
Child Care Food	309.54	406.99	13.85	16.99	31.48	22.65
Senior Com. Ser	288.25	266.65	7.30	6.30	-7.49	-13.71
Interstate Sub	246.58	421.95	10.30	2.20	71.12	-78.61
Migrant Ed	271.41	212.37	2.09	1.11	-21.75	-46.88
Older Am Support	260.80	216.35	4.72	3.76	-17.05	-20.37

Table 2

Total Awards, Minnesota's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real Dollars (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Schools & Roads	245.17	261.27	1.21	0.99	6.57	0.00
Airport Imp: P	219.74	724.54	2.99	9.03	229.72	202.02
Rail Highway	196.48	124.21	5.60	3.34	-36.78	-40.30
Wap	185.48	129.73	9.64	6.53	-30.06	-32.20
Wat&Waste Disp	182.47	75.32	4.03	1.46	-58.72	-63.69
Dislocated Wor	151.72	174.84	2.29	1.81	15.24	-21.07
State &Com. High	172.05	84.23	3.75	1.80	-51.04	-52.04
Child Welfare	167.13	190.91	3.13	3.29	14.23	5.37
UMTA: Small	164.40	113.71	2.25	1.22	-30.83	-45.71
Ed of Handi Child	152.72	123.09	0.66	0.23	-19.40	-64.99
Hazard Elim	152.15	130.07	3.32	2.78	-14.51	-16.12
Comm. Ser BG	130.10	319.06	1.21	4.20	145.24	247.01
Summer Food Child	108.10	93.58	1.29	0.95	-13.43	-26.42
Adult Ed	103.05	89.30	1.70	1.37	-13.35	-19.13
Ag. Exper. Stat	97.07	88.36	2.94	2.74	-8.98	-6.53
Food Dist: Elderly	90.88	110.39	1.57	2.24	21.46	42.97
Airport Impr:S	34.15	122.90	0.71	2.55	259.85	258.67
Total/Weighted Avg.	76,226.36	72,717.24	1,556.97	1,362.79	-4.60	-12.47

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Washington, D.C. 20003

October 1989

Grants-in-aid to state and local governments constitute one of the four major federal spending categories. (The other three are procurement, salaries and wages, and direct payments to individuals.) New Hampshire's share of the total amount of federal grants to state and local governments rose from 0.33 percent to 0.36 percent between fiscal 1981 and fiscal 1988. Two criteria often are used to compare states' performance in receipt of grant funds: relative tax burden and population. New Hampshire's tax burden--its payment of federal revenues--increased from 0.40 percent to 0.53 percent during this same period, while its population rose from 0.41 to 0.44 percent of the U.S. total. Figure 1 compares New Hampshire's population and tax burden to its receipt of grants in all federal programs and the 60 largest programs.

A recent report published by the Northeast-Midwest Institute, Federal Funding Formulas and State Allocations: What Share for the Northeast and Midwest? examines 56 programs that awarded grants over $100 million in fiscal 1981, and four others that reached $100 million by fiscal 1988. Grants to New Hampshire in these programs increased in nominal dollars from $271 million to $300 million, but its percentage share fell from 0.37 percent to 0.34 percent of the total during the period studied. Table 1 presents the amount New Hampshire received in these 60 programs and its share relative to other states. The programs are listed in descending order of the dollar amounts awarded in fiscal 1981 or the first year of funding. Awards in the "first" year are compared to those in the "last" year--the latest fiscal year for which state-by-state allocations are available from government agencies; years range from fiscal 1987 to fiscal 1990. Table 2 presents similar information in 1982 (real) dollars. It shows that New Hampshire's grant funding fell 14.0 percent, from $282.8 million to $243.2 million, compared to a decrease of 4.6 percent for the programs nationally.

New Hampshire's receipts fell in real dollars in about two-thirds of the grant programs. Programs that increased in funding include: Medicaid; Highway Planning and Construction: Interstate 4R and Primary System; the Educationally Deprived Children program; and Unemployment Insurance: State Administration. Losses occurred in several programs, including Wastewater Treatment Construction Grants, Aid to Families with Dependent Children, the Interstate Construction and Bridge Replacement programs, and the Low-Income Home Energy Assistance Program. New Hampshire's share of funding rose in several programs, notably in the Urban Development Action Grant program, Urban Mass Transportation program for small cities, and Education of the Handicapped, while it dropped in Education of Handicapped Children, Bridge Replacement and Community Service Block Grant programs. The state benefited from large increases nationally in Medicaid and Interstate 4R programs.

Programs Gaining the Most in Funding for New Hampshire

		Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1.	Medicaid	0.00	38.82	19.24
2.	Interstate 4R	0.00	8.82	6.12
3.	Ed. Deprived Children	0.04	4.14	1.98
4.	Unempl. Insurance	0.07	3.25	2.02
5.	Primary Systems (highways)	0.00	3.19	0.40

Programs Losing the Most in Funding for New Hampshire

		Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1.	Const. Grants (wastewater)	0.19	-13.25	-19.00
2.	AFDC	-0.13	-5.09	-8.20
3.	Interstate Construction	0.09	-4.34	-7.45
4.	LIHEAP	0.00	-2.96	-6.02
5.	Bridge Rep./Rehab.	-0.51	-2.31	-4.39

Programs in which New Hampshire's Share Increased the Most

		Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
		(in percent)				
1.	UDAG	0.25	1.37	1.11	440.52	1.67
2.	UMTA: Small Cities	0.82	1.03	0.21	25.89	0.20
3.	Const. Grants (wastewater)	0.84	1.03	0.19	22.81	-13.25
4.	Water & Waste Disp.	0.46	0.61	0.15	31.45	-0.24
5.	Ed. of Handicapped	0.24	0.37	0.14	57.80	3.16

Programs in which New Hampshire's Share Decreased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. Ed. of Handi. Child	1.26	0.37	-0.88	-70.24	-1.25
2. Bridge Rep./Rehab.	1.05	0.54	-0.51	-48.45	-2.31
3. Comm. Service Block Grant	0.67	0.30	-0.37	-55.71	0.28
4. Child Care Food	0.38	0.24	-0.14	-37.38	0.03
5. AFDC	0.24	0.12	-0.13	-51.48	-5.09

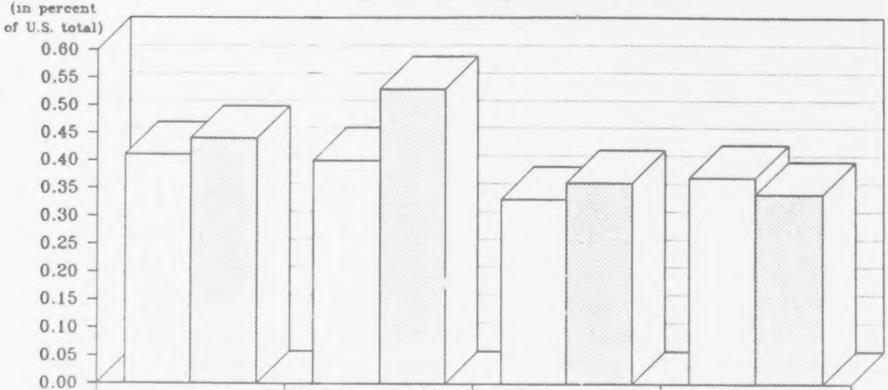
With politicians reluctant to consider tax increases or entitlement and military reductions, competition for domestic discretionary program funds--social and economic development initiatives of interest to states and communities--has become fierce. Recent decisions made by Congress and the administration--to bail out insolvent savings and loan institutions, clean up the Department of Energy's nuclear facilities, promote NASA's $30-billion space station, and build the superconducting supercollider--will divert many of these scarce federal dollars away from New Hampshire toward states in the South and West. New Hampshire taxpayers, for example, will pay an estimated $130 million for the 1988 savings and loan bail-out actions, although none of the state's institutions failed.

Two factors will continue to affect New Hampshire's receipt of grant program funds: increases or cuts in overall appropriations, and gains or losses in the state's share of total funds allocated. The 1990 census may well hurt New Hampshire in two ways. The Northeast and Midwest probably will lose 14 seats in the House of Representatives. This loss of political influence will diminish the ability of members from these states to set funding priorities and defend programs of particular benefit to the region from spending cuts.

Many grant formulas work against the interests of New Hampshire and other states in the Northeast-Midwest region by underestimating the need for federal assistance, overestimating fiscal (tax-raising) capacity, and underestimating the costs of service responsibilities. For lawmakers interested in promoting more equitable patterns of funding, many opportunities exist to target federal grants more precisely to the people and places in greatest need. Many grant formulas were fashioned years ago when lawmakers were less concerned with budget deficits. As a result, formulas frequently contain crude and inaccurate factors approximating states' needs and their ability to meet those needs. Congress can correct these distortions when it reauthorizes the grant programs.

New Hampshire

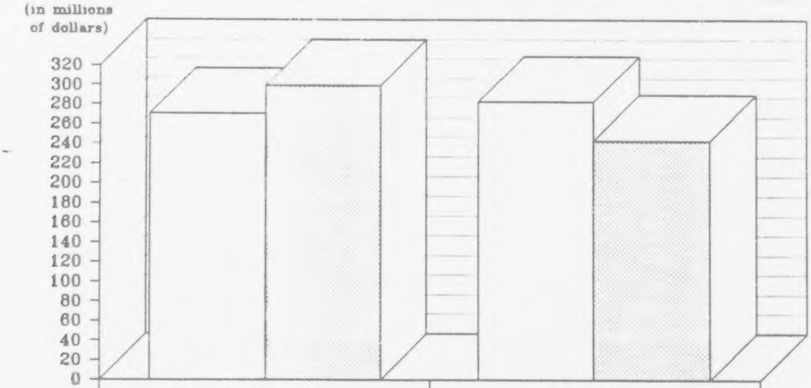
Figure 1. State Population and Tax Burden Compared to Receipt of Grant Funds



	Population	Tax Burden	All Grants	Top 60 Grants
1981	0.41	0.40	0.33	0.37
1988	0.44	0.53	0.36	0.34

☐ 1981 ▨ 1988

Figure 2. Total State Federal Funding for 60 Largest Grants



	Nominal Dollars	Real Dollars
First Year	270.55	282.78
Last Year	299.58	243.15

☐ First Year ▨ Last Year

Table 1

Total Awards, New Hampshire's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Medicaid	17,382.07	30,396.40	0.31	0.30	0.00	-1.02	53.12	91.94	38.82
AFDC	6,938.72	9,987.67	0.24	0.12	-0.13	-51.48	16.88	11.79	-5.09
General Revenue	5,133.68	--	0.34	0.00	-0.34	-100.00	17.21	0.00	-17.21
Const. Grants	3,833.59	1,833.00	0.84	1.03	0.19	22.81	32.10	18.85	-13.25
Interstate Const.	3,768.10	2,421.50	0.48	0.57	0.09	18.50	18.20	13.86	-4.34
Ed. Depr. Child	2,950.50	4,138.90	0.20	0.24	0.04	20.81	5.96	10.10	4.14
CDBG: Large	2,604.66	1,920.62	0.13	0.16	0.03	24.55	3.31	3.04	-0.27
S.S. Block Grnt	2,489.62	2,684.53	0.40	0.44	0.04	10.47	9.99	11.90	1.91
School Lunch	2,294.74	2,686.53	0.29	0.21	-0.08	-27.84	6.57	5.55	-1.02
JTPA II-A	1,820.77	1,705.52	0.29	0.26	-0.02	-8.26	5.19	4.46	-0.73
LIHEAP	1,744.17	1,381.09	0.80	0.79	0.00	-0.55	13.93	10.97	-2.96
Primary System	1,620.38	2,274.79	0.50	0.50	0.00	-0.89	8.15	11.34	3.19
UMTA: Large	1,283.77	1,433.00	0.01	0.01	0.00	11.98	0.12	0.15	0.03
Bridge Rep. Reh.	925.14	1,368.91	1.05	0.54	-0.51	-48.45	9.74	7.43	-2.31
WIC	905.87	1,703.44	0.45	0.41	-0.04	-9.76	4.09	6.94	2.85
Food Dist.: Child	901.14	873.51	0.29	0.31	0.01	4.73	2.63	2.67	0.04
CDBG: Small	880.85	798.65	0.65	0.71	0.06	9.52	5.74	5.70	-0.04
Ed. of Hand	856.61	1,387.90	0.24	0.37	0.14	57.80	2.03	5.19	3.16
Rehab. services	833.41	1,251.79	0.44	0.43	-0.01	-1.31	3.67	5.44	1.77
Interstate 4R	780.06	2,532.12	0.50	0.50	0.00	0.48	3.90	12.72	8.82
JTPA IIB	777.29	673.89	0.27	0.26	-0.01	-4.69	2.13	1.76	-0.37
Urban System	772.60	722.51	0.50	0.51	0.00	0.35	3.90	3.66	-0.24
Emp. Ser. Admin	718.09	737.51	0.34	0.37	0.03	8.54	2.44	2.72	0.28
UnEm Ins	686.61	1,407.97	0.32	0.38	0.07	21.80	2.17	5.42	3.25
Head Start	684.58	1,059.52	0.22	0.21	0.00	-1.34	1.48	2.26	0.78
Voc Ed	672.99	793.16	0.42	0.51	0.09	21.56	2.82	4.04	1.22
School Assist	622.66	639.08	0.31	0.40	0.09	30.24	1.93	2.58	0.65
Rural Secondary	580.50	581.08	0.50	0.50	0.00	-0.10	2.93	2.93	0.00
Improv School P	437.72	464.75	0.51	0.51	0.00	0.10	2.23	2.37	0.14
Alco,Drug, MH	420.18	478.52	0.83	0.80	-0.02	-2.83	3.47	3.84	0.37
Child Support Enf	393.13	741.65	0.19	0.31	0.12	60.42	0.76	2.30	1.54

Table 1

Total Awards, New Hampshire's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Refugee Assist	363.43	290.26	0.01	0.14	0.13	1,611.18	0.03	0.41	0.38
UDAG	356.22	188.19	0.25	1.37	1.11	440.52	0.90	2.57	1.67
Maternal Child Healt	350.26	448.30	0.43	0.41	-0.02	-4.28	1.51	1.85	0.34
Win	347.90	91.80	0.22	0.21	-0.01	-5.26	0.76	0.19	-0.57
Older Am: Nutr	341.97	426.53	0.51	0.53	0.02	4.27	1.73	2.25	0.52
School Break	315.06	427.16	0.11	0.11	0.00	0.39	0.36	0.49	0.13
Foster care	308.75	716.25	0.21	0.15	-0.06	-29.28	0.64	1.05	0.41
Child Care Food	292.02	479.03	0.38	0.24	-0.14	-37.38	1.10	1.13	0.03
Senior Com. Ser	271.93	324.51	0.44	0.46	0.01	2.50	1.21	1.48	0.27
Interstate Sub	256.20	543.89	0.00	0.00	0.00	--	0.00	0.00	0.00
Migrant Ed	256.05	258.46	0.00	0.03	0.03	692.54	0.01	0.08	0.07
Older Am Support	246.04	271.30	0.51	0.53	0.01	2.93	1.26	1.43	0.17
Schools & Roads	231.29	317.97	0.12	0.12	0.00	-3.88	0.28	0.37	0.09
Airport Imp: P	219.74	881.76	0.17	0.15	-0.02	-12.44	0.37	1.30	0.93
Rail Highway	185.36	155.76	0.42	0.39	-0.02	-5.72	0.77	0.61	-0.16
Wap	174.98	157.88	0.78	0.84	0.05	6.79	1.37	1.32	-0.05
Wat&Waste Disp	172.14	91.67	0.46	0.61	0.15	31.45	0.80	0.56	-0.24
Dislocated Wor	163.40	219.25	0.23	0.10	-0.12	-53.67	0.37	0.23	-0.14
State &Com. High	162.31	102.51	0.52	0.52	0.00	-0.10	0.84	0.53	-0.31
Child Welfare	157.67	232.34	0.47	0.41	-0.06	-11.96	0.74	0.96	0.22
UMTA: Small	155.09	142.59	0.82	1.03	0.21	25.89	1.27	1.47	0.20
Ed of Handi Child	144.08	149.80	1.26	0.37	-0.88	-70.24	1.81	0.56	-1.25
Hazard Elim	143.54	163.11	0.52	0.51	-0.01	-1.30	0.74	0.83	0.09
Comm. Ser BG	130.10	388.29	0.67	0.30	-0.37	-55.71	0.87	1.15	0.28
Summer Food Child	101.98	110.14	0.24	0.14	-0.10	-42.13	0.24	0.15	-0.09
Adult Ed	97.22	111.98	0.45	0.53	0.07	16.42	0.44	0.59	0.15
Ag. Exper. Stat	91.58	107.53	0.83	0.82	-0.01	-1.39	0.76	0.88	0.12
Food Dist: Elderly	85.74	129.93	0.55	0.56	0.01	2.49	0.47	0.73	0.26
Airport Impr:S	32.22	149.57	0.34	0.33	-0.01	-4.04	0.11	0.49	0.38
Total	72,868.47	89,157.27	0.37	0.34	-0.04	-9.50	270.55	299.58	29.03

Table 2

Total Awards, New Hampshire's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real Dollars

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Medicaid	18,424.99	24,976.50	56.31	75.55	35.56	34.17
AFDC	7,355.04	8,206.80	17.89	9.69	11.58	-45.86
General Revenue	5,441.70	--	18.24	--	--	--
Const. Grants	4,063.61	1,461.72	34.03	15.03	-64.03	-55.82
Interstate Const.	3,768.10	1,878.59	18.20	10.75	-50.14	-40.92
Ed. Depr. Child	3,127.53	3,400.90	6.32	8.30	8.74	31.36
CDBG: Large	2,760.94	1,578.16	3.51	2.50	-42.84	-28.81
S.S. Block Grnt	2,396.17	2,140.77	9.62	9.49	-10.66	-1.30
School Lunch	2,432.42	2,282.52	6.96	4.72	-6.16	-32.29
JTPA II-A	1,690.59	1,360.06	4.82	3.56	-19.55	-26.20
LIHEAP	1,848.82	1,101.35	14.77	8.75	-40.43	-40.75
Primary System	1,717.60	1,814.03	8.64	9.04	5.61	4.68
UMTA: Large	1,360.80	1,142.74	0.13	0.12	-16.02	-5.96
Bridge Rep. Reh.	980.65	1,091.63	10.32	5.93	11.32	-42.61
WIC	960.22	1,399.70	4.34	5.70	45.77	31.53
Food Dist.: Child	955.21	742.15	2.79	2.27	-22.30	-18.63
CDBG: Small	933.70	656.24	6.08	4.68	-29.72	-23.02
Ed. of Hand	908.01	1,106.78	2.15	4.14	21.89	92.34
Rehab. services	883.41	1,063.54	3.89	4.62	20.39	18.81
Interstate 4R	750.78	1,964.41	3.75	9.87	161.65	162.90
JTPA IIB	823.93	553.73	2.26	1.45	-32.79	-35.95
Urban System	818.96	576.16	4.13	2.92	-29.65	-29.40
Emp. Ser. Admin	666.75	588.13	2.27	2.17	-11.79	-4.26
UnEm Ins	727.81	1,122.78	2.30	4.32	54.27	87.90
Head Start	725.65	844.91	1.57	1.80	16.43	14.88
Voc Ed	713.37	651.73	2.99	3.32	-8.64	11.05
School Assist	660.02	525.13	2.05	2.12	-20.44	3.63
Rural Secondary	615.33	463.38	3.11	2.34	-24.69	-24.77
Improv School P	421.29	381.88	2.15	1.95	-9.35	-9.27
Alco.Drug. MH	420.18	393.20	3.47	3.16	-6.42	-9.07
Child Support Enf	416.72	630.12	0.81	1.95	51.21	142.57
Refugee Assist	385.24	238.50	0.03	0.34	-38.09	959.42
UDAG	377.59	154.63	0.95	2.11	-59.05	121.36
Maternal Child Healt	371.28	357.50	1.60	1.48	-3.71	-7.83
Win	368.77	75.43	0.81	0.16	-79.55	-80.62
Older Am: Nutr	362.49	340.14	1.83	1.79	-6.17	-2.16
School Break	333.96	362.92	0.38	0.42	8.67	9.10
Foster care	327.28	608.54	0.68	0.89	85.94	31.50
Child Care Food	309.54	406.99	1.17	0.96	31.48	-17.66
Senior Com. Ser	288.25	266.65	1.28	1.22	-7.49	-5.18
Interstate Sub	246.58	421.95	0.00	0.00	71.12	--
Migrant Ed	271.41	212.37	0.01	0.07	-21.75	520.15
Older Am Support	260.80	216.35	1.34	1.14	-17.05	-14.62

Table 2

Total Awards, New Hampshire's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real Dollars (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Schools & Roads	245.17	261.27	0.30	0.30	6.57	0.00
Airport Imp: P	219.74	724.54	0.37	1.07	229.72	188.70
Rail Highway	196.48	124.21	0.82	0.49	-36.78	-40.40
Wap	185.48	129.73	1.45	1.08	-30.06	-25.31
Wat&Waste Disp	182.47	75.32	0.85	0.46	-58.72	-45.74
Dislocated Wor	151.72	174.84	0.34	0.18	15.24	-46.61
State &Com. High	172.05	84.23	0.89	0.44	-51.04	-51.09
Child Welfare	167.13	190.91	0.78	0.79	14.23	0.56
UMTA: Small	164.40	113.71	1.35	1.17	-30.83	-12.92
Ed of Handi Child	152.72	123.09	1.92	0.46	-19.40	-76.02
Hazard Elim	152.15	130.07	0.78	0.66	-14.51	-15.62
Comm. Ser BG	130.10	319.06	0.87	0.94	145.24	8.61
Summer Food Child	108.10	93.58	0.25	0.13	-13.43	-49.90
Adult Ed	103.05	89.30	0.47	0.47	-13.35	0.88
Ag. Exper. Stat	97.07	88.36	0.81	0.72	-8.98	-10.24
Food Dist: Elderly	90.88	110.39	0.50	0.62	21.46	24.49
Airport Impr:S	34.15	122.90	0.12	0.40	259.85	245.31
Total	76.226.36	72.717.24	282.78	243.15	-4.60	-14.02

Federal Grant Program Spending:

New Jersey

1981 - 1988

Diane DeVaul

Northeast-Midwest Institute
The Center for Regional Policy
218 D Street, S.E.
Washington, D.C. 20003

October 1989

Federal grants-in-aid to state and local governments constitute one of the four major spending categories. (The other three are procurement, salaries and wages, and direct payments to individuals.) New Jersey's share of the total amount of federal grants to state and local governments fell from 3.04 percent to 2.96 percent from fiscal 1981 to fiscal 1988. Two criteria often are used to compare states' performance in receipt of grant funds: relative tax burden and population. New Jersey's tax burden--its payment of federal revenues--rose from 3.88 percent to 4.58 percent during this period, while its population fell from 3.23 to 3.16 percent of the U.S. total. Figure 1 compares New Jersey's population and tax burden to its receipt of grants in all federal programs and the 60 largest programs.

A recent report published by the Northeast-Midwest Institute, Federal Funding Formulas and State Allocations: What Share for the Northeast and Midwest? examines 56 programs that awarded grants over $100 million in fiscal 1981, plus four others that reached $100 million by fiscal 1988. Grants to New Jersey in these programs increased in nominal dollars from $2,215.5 million to $2,642.8 million but its percentage share dropped from 3.04 percent to 2.96 percent of the total during the period studied. Table 1 presents the amount New Jersey received in these 60 programs and its share relative to other states. The programs are listed in descending order of dollar amounts awarded in fiscal 1981 (or the first year of program operation). Awards in the "first" year are compared to those in the "last" year--the latest fiscal year for which state-by-state allocations are available from government agencies; years range from fiscal 1987 to fiscal 1990. Table 2 presents similar information in 1982 (real) dollars. It shows that New Jersey suffered a 7.2 loss, from $2,320.5 million to $2,153.3 million, compared to a 4.6 percent decline for grant programs nationally.

New Jersey's receipts fell in real dollars for about two-thirds of the grant programs. The state registered some gains in the Medicaid, Educationally Deprived Children, Highway Construction, Bridge Replacement and Rehabilitation, and Interstate 4R programs. These increases were not enough to offset losses in other proram, especially in Construction Grants, the Community Development Block Grant program for large cities, the Interstate Construction program, the Job Training Partnership IIA program, and the Low-Income Home Energy Assistance Program.

New Jersey's overall level of grant funds might have fallen even more if its share of funding had not risen in several programs: Interstate Highway Substitution, Foster Care, and the Primary Airport Improvement program. The state also benefited from large increases nationally in programs such as Medicaid and Aid to Families with Dependent Children.

Programs Gaining the Most in Funding for New Jersey

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Medicaid	0.45	472.30	280.92
2. Ed. Deprived Children	0.72	60.21	31.60
3. Bridge Rep./Rehabilitation	2.93	47.72	33.86
4. Interstate Substitution	4.57	25.98	19.97
5. Interstate 4R	0.13	23.22	16.35

Programs Losing the Most in Funding for New Jersey

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Construction Grants (wastewater)	-0.21	-92.28	-118.05
2. CDBG: Entitlement Grants (Large)	-0.04	-30.90	-52.80
3. Interstate Construction	0.58	-21.14	-38.52
4. JTPA IIA	-1.01	-20.30	-22.67
5. LIHEAP	-0.02	-14.48	-29.49

Programs in which New Jersey's Share Increased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. Interstate Substitution	0.39	4.96	4.57	1,170.90	25.98
2. UDAG	4.66	8.36	3.70	79.48	-0.86
3. Bridge Rep./Rehab.	1.73	4.65	2.93	169.27	47.72
4. Foster Care	0.63	2.00	1.37	215.16	12.37
5. Airport Improv. Primary	0.08	1.34	1.26	1,626.85	11.61

Programs in which New Jersey's Share Decreased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. Dislocated Workers	2.75	1.38	-1.38	-49.98	-1.48
2. JTPA IIB	3.63	2.40	-1.24	-34.06	-12.10
3. Child Support Enforce.	5.45	4.27	-1.18	-21.61	10.26
4. Ed. of Handi. Children	3.85	2.70	-1.15	-29.81	-1.50
5. AFDC	3.92	2.86	-1.06	-27.06	13.61

With politicians reluctant to consider tax increases or entitlement and military reductions, competition for domestic discretionary program funds--social and economic development initiatives of interest to states and communities--has become fierce. Recent decisions made by Congress and the administration--bailing out insolvent savings and loan institutions, cleaning up the Department of Energy's nuclear facilities, promoting NASA's $30-billion space station, and building the superconducting supercollider--will divert many of these scarce federal dollars away from New Jersey and toward states in the South and West. New Jersey taxpayers, for example, will pay an estimated $1,184 million for the 1988 savings and loan bail-out actions, although the state's institutions needed only $280 million.

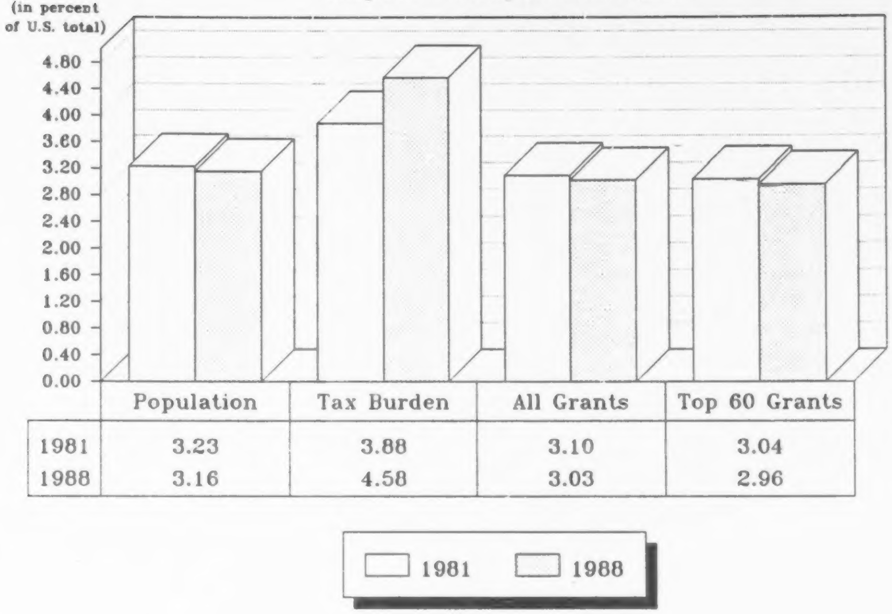
Two factors will continue to affect New Jersey's receipt of grant program funds: increases or cuts in overall appropriations, and gains or losses in the state's share of total funds allocated. The 1990 census may well hurt New Jersey on both of these factors. The Northeast-Midwest region probably will lose 14 seats in the House of Representatives. This loss of political influence will diminish the ability of members from the region to set funding priorities and to defend programs of particular benefit to the region from spending cuts.

In addition, funds for 39 of the 60 major grant programs studied are allocated in part on the basis of population. Some formulas consider the entire population while others target specific sectors, such as school-age children, older Americans, the unemployed, or those living in poverty. In some cases, grant programs use annual population estimates to adjust the allocations. In those cases, estimated population loss accounts for some of the observed decline in New Jersey's funding for these programs. Twenty major programs, however, use decennial census population factors in their formulas. Because New Jersey has not kept pace with the national growth in population, falling from 3.23 percent in 1981 to an estimated 3.16 percent by 1990, the state can expect that use of the 1990 census numbers, starting in 1992, will reduce its receipt of funds.

Many grant formulas work against the interests of New Jersey and other states in the Northeast-Midwest region by underestimating the need for federal assistance, overestimating fiscal (tax-raising) capacity, and underestimating the costs of service responsibilities. For lawmakers interested in promoting more equitable patterns of funding, many opportunities exist to target federal grants more precisely to the people and places in greatest need. Many grant formulas were fashioned years ago when Congress was less concerned with budget deficits. As a result, formulas frequently contain crude and inaccurate factors approximating states' needs and their ability to meet those needs. Congress can correct these distortions when it reauthorizes the grant programs.

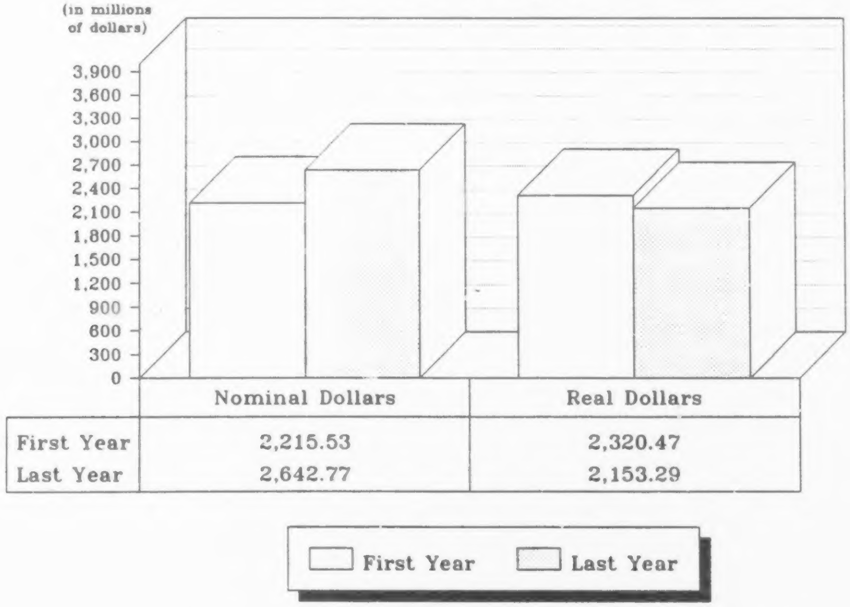
New Jersey

Figure 1. State Population and Tax Burden Compared to Receipt of Grant Funds



	Population	Tax Burden	All Grants	Top 60 Grants
1981	3.23	3.88	3.10	3.04
1988	3.16	4.58	3.03	2.96

Figure 2. Total State Federal Funding for 60 Largest Grants



	Nominal Dollars	Real Dollars
First Year	2,215.53	2,320.47
Last Year	2,642.77	2,153.29

Table 1
Total Awards, New Jersey's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Medicaid	17,382.07	30,396.40	2.59	3.03	0.45	17.24	449.70	922.00	472.30
AFDC	6,938.72	9,987.67	3.92	2.86	-1.06	-27.06	272.33	285.94	13.61
General Revenue	5,133.68	--	3.33	0.00	-3.33	-100.00	171.15	--	--
Const. Grants	3,833.59	1,833.00	4.42	4.20	-0.21	-4.82	169.35	77.07	-92.28
Interstate Const.	3,768.10	2,421.50	2.62	3.20	0.58	22.26	98.65	77.51	-21.14
Ed. Depr. Child	2,950.50	4,138.90	2.54	3.27	0.72	28.52	74.99	135.20	60.21
CDBG: Large	2,604.66	1,920.62	4.42	4.38	-0.04	-0.82	115.01	84.11	-30.90
S.S. Block Grnt	2,489.62	2,684.53	3.62	3.16	-0.46	-12.72	90.11	84.81	-5.30
School Lunch	2,294.74	2,686.53	2.62	2.11	-0.50	-19.24	60.03	56.76	-3.27
JTPA II-A	1,820.77	1,705.52	2.72	1.71	-1.01	-37.02	49.50	29.20	-20.30
LIHEAP	1,744.17	1,381.09	3.92	3.90	-0.02	-0.48	68.32	53.84	-14.48
Primary System	1,620.38	2,274.79	2.06	2.35	0.30	14.34	33.36	53.55	20.19
UMTA: Large	1,283.77	1,433.00	5.56	6.56	1.00	17.95	71.44	94.06	22.62
Bridge Rep. Reh.	925.14	1,368.91	1.73	4.65	2.93	169.27	15.99	63.71	47.72
WIC	905.87	1,703.44	2.27	2.25	-0.01	-0.63	20.54	38.38	17.84
Food Dist.: Child	901.14	873.51	2.46	2.32	-0.14	-5.55	22.13	20.26	-1.87
CDBG: Small	880.85	798.65	1.14	0.92	-0.22	-19.05	10.00	7.34	-2.66
Ed. of Hand	856.61	1,387.90	3.76	3.99	0.23	6.11	32.23	55.41	23.18
Rehab. services	833.41	1,251.79	2.48	2.43	-0.04	-1.78	20.64	30.45	9.81
Interstate 4R	780.06	2,532.12	1.14	1.27	0.13	11.18	8.90	32.12	23.22
JTPA IIB	777.29	673.89	3.63	2.40	-1.24	-34.06	28.25	16.15	-12.10
Urban System	772.60	722.51	4.24	3.89	-0.35	-8.23	32.73	28.09	-4.64
Emp. Ser. Admin	718.09	737.51	2.71	2.67	-0.04	-1.63	19.49	19.69	0.20
UnEm Ins	686.61	1,407.97	4.49	3.44	-1.05	-23.42	30.82	48.40	17.58
Head Start	684.58	1,059.52	3.47	3.31	-0.16	-4.64	23.77	35.08	11.31
Voc Ed	672.99	793.16	2.81	2.47	-0.33	-11.87	18.88	19.61	0.73
School Assist	622.66	639.08	1.77	1.95	0.18	10.45	11.00	12.47	1.47
Rural Secondary	580.50	581.08	0.92	0.93	0.00	0.27	5.36	5.38	0.02
Improv School P	437.72	464.75	3.10	2.92	-0.19	-6.02	13.59	13.56	-0.03
Alco,Drug, MH	420.18	478.52	4.59	4.32	-0.28	-6.05	19.30	20.65	1.35
Child Support Enf	393.13	741.65	5.45	4.27	-1.18	-21.61	21.43	31.69	10.26

Table 1

Total Awards, New Jersey's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Refugee Assist	363.43	290.26	1.17	1.25	0.08	6.90	4.24	3.62	-0.62
UDAG	356.22	188.19	4.66	8.36	3.70	79.48	16.60	15.74	-0.86
Maternal Child Healt	350.26	448.30	2.27	2.31	0.05	2.04	7.94	10.37	2.43
Win	347.90	91.80	3.47	3.86	0.39	11.15	12.07	3.54	-8.53
Older Am: Nutr	341.97	426.53	3.41	3.32	-0.10	-2.79	11.67	14.15	2.48
School Break	315.06	427.16	1.49	1.25	-0.24	-16.16	4.68	5.32	0.64
Foster care	308.75	716.25	0.63	2.00	1.37	215.16	1.96	14.33	12.37
Child Care Food	292.02	479.03	2.53	2.09	-0.43	-17.15	7.38	10.03	2.65
Senior Com. Ser	271.93	324.51	3.17	2.89	-0.28	-8.72	8.62	9.39	0.77
Interstate Sub	256.20	543.89	0.39	4.96	4.57	1,170.90	1.00	26.98	25.98
Migrant Ed	256.05	258.46	1.23	0.72	-0.51	-41.19	3.15	1.87	-1.28
Older Am Support	246.04	271.30	3.41	3.32	-0.10	-2.83	8.40	9.00	0.60
Schools & Roads	231.29	317.97	0.00	0.00	0.00	--	0.00	0.00	0.00
Airport Imp: P	219.74	881.76	0.08	1.34	1.26	1,626.85	0.17	11.78	11.61
Rail Highway	185.36	155.76	1.80	1.72	-0.08	-4.23	3.33	2.68	-0.65
Wap	174.98	157.88	2.64	2.78	0.14	5.31	4.62	4.39	-0.23
Wat&Waste Disp	172.14	91.67	0.98	1.18	0.20	20.00	1.69	1.08	-0.61
Dislocated Wor	163.40	219.25	2.75	1.38	-1.38	-49.98	4.50	3.02	-1.48
State &Com. High	162.31	102.51	2.81	2.61	-0.20	-6.94	4.56	2.68	-1.88
Child Welfare	157.67	232.34	2.72	2.25	-0.47	-17.27	4.29	5.23	0.94
UMTA: Small	155.09	142.59	1.31	0.81	-0.50	-38.38	2.03	1.15	-0.88
Ed of Handi Child	144.08	149.80	3.85	2.70	-1.15	-29.81	5.55	4.05	-1.50
Hazard Elim	143.54	163.11	2.81	2.61	-0.20	-7.19	4.03	4.25	0.22
Comm. Ser BG	130.10	388.29	2.04	3.00	0.96	47.05	2.65	11.63	8.98
Summer Food Child	101.98	110.14	3.88	3.26	-0.62	-16.06	3.96	3.59	-0.37
Adult Ed	97.22	111.98	3.45	3.07	-0.37	-10.85	3.35	3.44	0.09
Ag. Exper. Stat	91.58	107.53	1.22	1.21	-0.01	-1.15	1.12	1.30	0.18
Food Dist: Elderly	85.74	129.93	2.82	2.38	-0.44	-15.74	2.42	3.09	0.67
Airport Impr:S	32.22	149.57	1.74	1.72	-0.01	-0.75	0.56	2.58	2.02
Total	72,868.47	89,157.27	3.04	2.96	-0.08	-2.51	2,215.53	2,642.77	427.24

Table 2

Total Awards, New Jersey's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real (1982) Dollars

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Medicaid	18,424.99	24,976.50	476.68	757.60	35.56	58.93
AFDC	7,355.04	8,206.80	288.67	234.95	11.58	-18.61
General Revenue	5,441.70	--	181.42	--	--	--
Const. Grants	4,063.61	1,461.72	179.51	61.46	-64.03	-65.76
Interstate Const.	3,768.10	1,878.59	98.65	60.13	-50.14	-39.05
Ed. Depr. Child	3,127.53	3,400.90	79.49	111.09	8.74	39.76
CDBG: Large	2,760.94	1,578.16	121.91	69.11	-42.84	-43.31
S.S. Block Grnt	2,396.17	2,140.77	86.73	67.63	-10.66	-22.02
School Lunch	2,432.42	2,282.52	63.63	48.22	-6.16	-24.21
JTPA II-A	1,690.59	1,360.06	45.96	23.29	-19.55	-49.34
LIHEAP	1,848.82	1,101.35	72.42	42.93	-40.43	-40.71
Primary System	1,717.60	1,814.03	35.36	42.70	5.61	20.76
UMTA: Large	1,360.80	1,142.74	75.73	75.01	-16.02	-0.95
Bridge Rep. Reh.	980.65	1,091.63	16.95	50.81	11.32	199.75
WIC	960.22	1,399.70	21.77	31.54	45.77	44.85
Food Dist.: Child	955.21	742.15	23.46	17.21	-22.30	-26.62
CDBG: Small	933.70	656.24	10.60	6.03	-29.72	-43.10
Ed. of Hand	908.01	1,106.78	34.16	44.19	21.89	29.34
Rehab. services	883.41	1,063.54	21.88	25.87	20.39	18.25
Interstate 4R	750.78	1,964.41	8.57	24.92	161.65	190.90
JTPA IIB	823.93	553.73	29.95	13.27	-32.79	-55.68
Urban System	818.96	576.16	34.69	22.40	-29.65	-35.43
Emp. Ser. Admin	666.75	588.13	18.10	15.70	-11.79	-13.23
UnEm Ins	727.81	1,122.78	32.67	38.60	54.27	18.14
Head Start	725.65	844.91	25.20	27.97	16.43	11.03
Voc Ed	713.37	651.73	20.01	16.11	-8.64	-19.48
School Assist	660.02	525.13	11.66	10.25	-20.44	-12.12
Rural Secondary	615.33	463.38	5.68	4.29	-24.69	-24.49
Improv School P	421.29	381.88	13.08	11.14	-9.35	-14.81
Alco,Drug, MH	420.18	393.20	19.30	16.97	-6.42	-12.08
Child Support Enf	416.72	630.12	22.72	26.92	51.21	18.53
Refugee Assist	385.24	238.50	4.49	2.97	-38.09	-33.82
UDAG	377.59	154.63	17.60	12.93	-59.05	-26.50
Maternal Child Healt	371.28	357.50	8.42	8.27	-3.71	-1.74
Win	368.77	75.43	12.79	2.91	-79.55	-77.26
Older Am: Nutr	362.49	340.14	12.37	11.28	-6.17	-8.78
School Break	333.96	362.92	4.96	4.52	8.67	-8.89
Foster care	327.28	608.54	2.08	12.18	85.94	486.01
Child Care Food	309.54	406.99	7.82	8.52	31.48	8.93
Senior Com. Ser	288.25	266.65	9.14	7.72	-7.49	-15.56
Interstate Sub	246.58	421.95	0.96	20.93	71.12	2,074.73
Migrant Ed	271.41	212.37	3.34	1.54	-21.75	-53.98
Older Am Support	260.80	216.35	8.90	7.18	-17.05	-19.40

Table 2

Total Awards, New Jersey's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real (1982) Dollars (continued)

	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
Program Name	(in millions of real dollars)				(in percent)	
Schools & Roads	245.17	261.27	0.00	0.00	6.57	0.00
Airport Imp: P	219.74	724.54	0.17	9.68	229.72	5,593.85
Rail Highway	196.48	124.21	3.53	2.14	-36.78	-39.45
Wap	185.48	129.73	4.90	3.61	-30.06	-26.34
Wat&Waste Disp	182.47	75.32	1.79	0.89	-58.72	-50.46
Dislocated Wor	151.72	174.84	4.18	2.41	15.24	-42.36
State &Com. High	172.05	84.23	4.83	2.20	-51.04	-54.44
Child Welfare	167.13	190.91	4.55	4.30	14.23	-5.50
UMTA: Small	164.40	113.71	2.15	0.92	-30.83	-57.38
Ed of Handi Child	152.72	123.09	5.88	3.33	-19.40	-43.43
Hazard Elim	152.15	130.07	4.27	3.39	-14.51	-20.66
Comm. Ser BG	130.10	319.06	2.65	9.56	145.24	260.61
Summer Food Child	108.10	93.58	4.20	3.05	-13.43	-27.34
Adult Ed	103.05	89.30	3.55	2.74	-13.35	-22.75
Ag. Exper. Stat	97.07	88.36	1.19	1.07	-8.98	-10.02
Food Dist: Elderly	90.88	110.39	2.57	2.63	21.46	2.34
Airport Impr:S	34.15	122.90	0.59	2.12	259.85	257.14
Total	76,226.36	72,717.24	2,320.47	2,153.29	-4.60	-7.20

Federal Grant Program Spending:
New York
1981 - 1988

Diane DeVaul

Northeast-Midwest Institute
The Center for Regional Policy
218 D Street, S.E.
Washington, D.C. 20003

October 1989

Grants-in-aid to state and local governments constitute one of the four major federal spending categories. (The other three are procurement, salaries and wages, and direct payments to individuals.) New York's share of the total amount of federal grants to state and local governments rose from 11.12 percent to 11.38 percent between fiscal 1981 and fiscal 1988 Two criteria often are used to compare states' performance in receipt of grant funds: relative tax burden and population. New York's tax burden--its payment of federal revenues--increased from 8.21 percent to 8.80 percent during this period, while its population fell from 7.65 percent to 7.23 percent of the U.S. total. Figure 1 compares New York's population and tax burden to its receipt of grants in all federal programs and the 60 largest programs.

A recent report published by the Northeast-Midwest Institute, Federal Funding Formulas and State Allocations: What Share for the Northeast and Midwest? examines 56 programs that awarded grants over $100 million in fiscal 1981, plus four others that reached $100 million by fiscal 1988. New York's funding in these programs increased in nominal dollars from $8,108.1 million (11.13 percent of the total) to $10,521.1 million (11.80 percent) during the period studied. Table 1 presents the amount New York received in these 60 programs and its share relative to other states. The programs are listed in descending order of dollar amounts awarded in fiscal 1981 or the first year of program operation. Awards in the "first" year are compared to those in the "last" year--the latest fiscal year for which state-by-state allocations are available from government agencies; years range from fiscal 1987 to fiscal 1990. Table 2 presents similar information in 1982 (real) dollars. It shows that New York's funding increased 0.90 percent, from $8,532.7 million to $8,609.7 million, compared to a 4.6 percent decline for grant programs nationally.

Although the state's receipts fell in real dollars for about two-thirds of the grant programs, the overall increase came from substantial gains in the following programs: Medicaid, Aid to Families with Dependent Children, Education of Deprived Children, Interstate Substitution, and Foster Care. These increases offset losses in other programs, especially in Interstate highway construction, Community Development Block Grants for large cities, and wastewater treatment construction grants. New York's share of funding increased significantly in the Interstate Substitution program, and to a lesser extent in the Community Service Block Grant, Education of Handicapped Children, and Refugee Assistance programs. It also benefited from large increases nationally in Medicaid and Aid to Families with Dependent Children.

Programs Gaining the Most in Funding for New York

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Medicaid	-1.66	1,918.76	805.64
2. AFDC	1.00	443.25	117.95
3. Ed. Deprived Children	1.80	179.26	85.22
4. Interstate Substitution	19.50	132.67	98.50
5. Foster Care	-7.69	88.54	52.33

Programs Losing the Most in Funding for New York

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Interstate Construction	-3.65	-145.34	-148.45
2. CDBG: Large Cities	-0.85	-116.07	-185.81
3. Const. Grants (wastewater)	3.50	-93.08	-153.31
4. LIHEAP	-0.06	-47.33	-96.31
5. JTPA IIB	-3.03	-29.18	-39.73

Programs in which New York's Share Increased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. Interstate Sub.	9.25	28.75	19.50	210.79	132.67
2. Comm. Serv./Block Grants	0.00	9.49	9.49	N.A.	36.86
3. Ed. of Handi. Children	10.53	19.37	8.84	83.93	13.84
4. Refugee Assistance	1.13	9.25	8.12	721.97	22.76
5. Summer Food Assist. Child.	17.55	25.32	7.77	44.27	9.99

Programs in which New York's Share Decreased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. Foster Care	35.25	27.55	-7.69	-21.82	88.54
2. Interstate Const.	4.22	0.57	-3.65	-86.45	-145.34
3. JTPA IIB	8.50	5.48	-3.03	-35.58	-29.18
4. School Assistance	5.28	2.28	-3.00	-56.84	-18.31
5. Dislocated Worker	6.38	3.92	-2.46	-38.56	-1.83

With politicians reluctant to consider tax increases or entitlement and military reductions, competition for domestic discretionary program funds--social and economic development initiatives of interest to states and communities--has become fierce. Recent decisions made by Congress and the administration--bailing out insolvent savings and loan institutions, cleaning up the Department of Energy's nuclear facilities, promoting NASA's $30-billion space station, and building the superconducting supercollider--will divert many of these scarce federal dollars away from New York and toward states in the South and West. New York taxpayers, for example, will pay an estimated $2,338 million for the 1988 savings and loan bail-out actions, although none of the state's institutions failed.

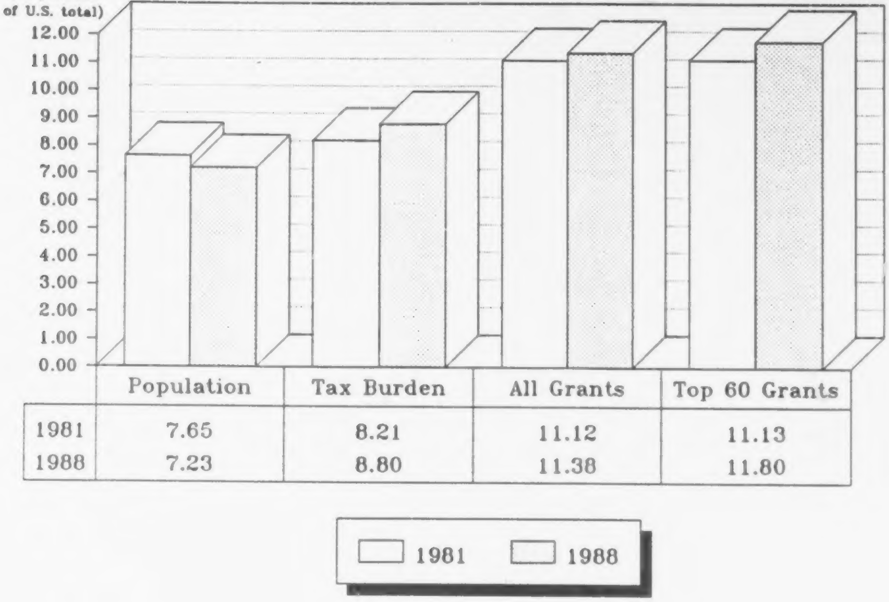
Two factors will continue to affect New York's receipt of grant program funds: increases or cuts in overall appropriations, and gains or losses in the state's share of total funds allocated. The 1990 census may well hurt New York on both of these factors. The Northeast-Midwest region probably will lose 14 seats in the House of Representatives. New York alone may lose three. This loss of political influence will diminish the ability of members from these states to set funding priorities and to defend programs of particular benefit to the region from spending cuts.

In addition, funds for 39 of the 60 major grant programs studied are allocated in part on the basis of population. Some formulas consider the entire population while others target specific sectors, such as school-age children, older Americans, the unemployed, or those living in poverty. In some cases, grant programs use annual population estimates to adjust the allocations. In those cases, estimated population loss accounts for some of the observed decline in New York's share of funding for these programs. Twenty major programs, however, use decennial census population factors in their formulas. Because New York has not kept pace with the national growth in population, falling from 7.65 percent in 1981 to an estimated 7.23 percent by 1990, the state can expect that the 1990 census numbers, which take effect in 1992, will reduce its receipt of funds.

Many grant formulas that allocate federal funds work against the interests of New York and other states in the Northeast-Midwest region by underestimating the need for federal assistance, overestimating fiscal (tax-raising) capacity, and underestimating the costs of service responsibilities. For lawmakers interested in promoting more equitable patterns of funding, many opportunities exist to target federal grants more precisely to the people and places in greatest need. Many grant formulas were fashioned years ago when Congress was less concerned with budget deficits. As a result, formulas frequently contain crude and inaccurate factors approximating states' needs and their ability to meet those needs. Congress can correct these distortions when it reauthorizes the grant programs.

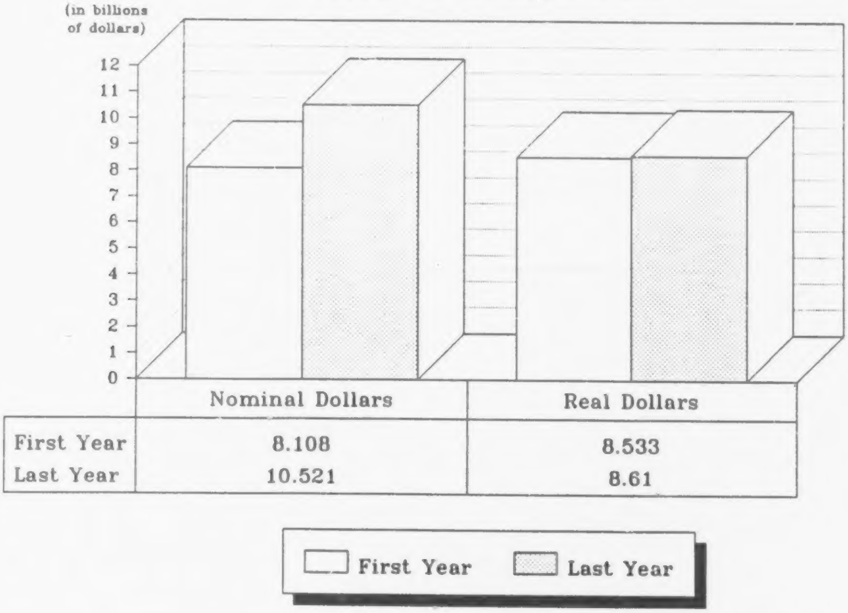
New York

Figure 1. State Population and Tax Burden Compared to Receipt of Grant Funds



	Population	Tax Burden	All Grants	Top 60 Grants
1981	7.65	8.21	11.12	11.13
1988	7.23	8.80	11.38	11.80

Figure 2. Total State Federal Funding for 60 Largest Grants



	Nominal Dollars	Real Dollars
First Year	8.108	8.533
Last Year	10.521	8.61

Table 1

Total Awards, New York's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Medicaid	17,382.07	30,396.40	18.61	16.96	-1.66	-8.90	3,235.25	5,154.01	1,918.76
AFDC	6,938.72	9,987.67	11.26	12.26	1.00	8.87	781.60	1,224.85	443.25
General Revenue	5,133.68	--	10.69	0.00	-10.69	-100.00	548.80	--	--
Const. Grants	3,833.59	1,833.00	7.86	11.36	3.50	44.52	301.24	208.16	-93.08
Interstate Const.	3,768.10	2,421.50	4.22	0.57	-3.65	-86.45	159.20	13.86	-145.34
Ed. Depr. Child	2,950.50	4,138.90	8.83	10.62	1.80	20.35	260.47	439.73	179.26
CDBG: Large	2,604.66	1,920.62	14.57	13.72	-0.85	-5.86	379.51	263.44	-116.07
S.S. Block Grnt	2,489.62	2,684.53	6.54	7.23	0.69	10.59	162.81	194.15	31.34
School Lunch	2,294.74	2,686.53	7.72	7.53	-0.19	-2.43	177.14	202.34	25.20
JTPA II-A	1,820.77	1,705.52	6.78	5.54	-1.24	-18.24	123.45	94.54	-28.91
LIHEAP	1,744.17	1,381.09	12.79	12.72	-0.06	-0.51	223.07	175.74	-47.33
Primary System	1,620.38	2,274.79	5.69	5.93	0.25	4.34	92.14	134.97	42.83
UMTA: Large	1,283.77	1,433.00	19.77	23.50	3.73	18.85	253.81	336.71	82.90
Bridge Rep. Reh.	925.14	1,368.91	8.03	10.03	2.00	24.92	74.25	137.24	62.99
WIC	905.87	1,703.44	8.24	8.50	0.26	3.17	74.65	144.82	70.17
Food Dist.: Child	901.14	873.51	7.12	6.79	-0.33	-4.65	64.15	59.29	-4.86
CDBG: Small	880.85	798.65	4.25	4.33	0.09	2.01	37.42	34.61	-2.81
Ed. of Hand	856.61	1,387.90	5.24	5.83	0.59	11.22	44.91	80.93	36.02
Rehab. services	833.41	1,251.79	6.45	6.45	0.00	-0.02	53.74	80.70	26.96
Interstate 4R	780.06	2,532.12	2.44	3.51	1.07	43.94	19.02	88.87	69.85
JTPA IIB	777.29	673.89	8.50	5.48	-3.03	-35.58	66.09	36.91	-29.18
Urban System	772.60	722.51	10.29	8.76	-1.53	-14.86	79.49	63.29	-16.20
Emp. Ser. Admin	718.09	737.51	8.69	7.61	-1.08	-12.46	62.40	56.10	-6.30
UnEm Ins	686.61	1,407.97	9.34	8.24	-1.10	-11.76	64.10	115.99	51.89
Head Start	684.58	1,059.52	8.16	8.46	0.31	3.78	55.83	89.67	33.84
Voc Ed	672.99	793.16	7.32	6.48	-0.85	-11.57	49.28	51.36	2.08
School Assist	622.66	639.08	5.28	2.28	-3.00	-56.84	32.87	14.56	-18.31
Rural Secondary	580.50	581.08	3.27	3.03	-0.24	-7.21	18.98	17.63	-1.35
Improv School P	437.72	464.75	7.22	6.90	-0.32	-4.47	31.60	32.05	0.45
Alco,Drug, MH	420.18	478.52	8.99	8.38	-0.61	-6.80	37.78	40.10	2.32
Child Support Enf	393.13	741.65	12.14	13.17	1.02	8.41	47.74	97.64	49.90

Table 1
Total Awards, New York's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Refugee Assist	363.43	290.26	1.13	9.25	8.12	721.97	4.09	26.85	22.76
UDAG	356.22	188.19	5.83	6.87	1.04	17.78	20.78	12.93	-7.85
Maternal Child Healt	350.26	448.30	7.66	7.76	0.10	1.32	26.82	34.78	7.96
Win	347.90	91.80	8.82	8.71	-0.11	-1.24	30.70	8.00	-22.70
Older Am: Nutr	341.97	426.53	8.38	7.90	-0.48	-5.70	28.66	33.71	5.05
School Break	315.06	427.16	8.19	8.10	-0.09	-1.05	25.79	34.60	8.81
Foster care	308.75	716.25	35.25	27.55	-7.69	-21.82	108.82	197.36	88.54
Child Care Food	292.02	479.03	9.71	7.86	-1.86	-19.11	28.36	37.63	9.27
Senior Com. Ser	271.93	324.51	7.57	6.91	-0.66	-8.71	20.59	22.43	1.84
Interstate Sub	256.20	543.89	9.25	28.75	19.50	210.79	23.70	156.37	132.67
Migrant Ed	256.05	258.46	1.66	1.73	0.07	3.95	4.26	4.47	0.21
Older Am Support	246.04	271.30	8.38	7.90	-0.48	-5.70	20.62	21.44	0.82
Schools & Roads	231.29	317.97	0.00	0.00	0.00	--	0.00	0.01	0.01
Airport Imp: P	219.74	881.76	7.94	5.91	-2.02	-25.50	17.44	52.14	34.70
Rail Highway	185.36	155.76	4.40	3.88	-0.52	-11.77	8.16	6.05	-2.11
Wap	174.98	157.88	10.33	10.31	-0.03	-0.26	18.08	16.27	-1.81
Wat&Waste Disp	172.14	91.67	3.60	4.60	1.01	28.02	6.19	4.22	-1.97
Dislocated Wor	163.40	219.25	6.38	3.92	-2.46	-38.56	10.42	8.59	-1.83
State &Com. High	162.31	102.51	7.31	6.42	-0.89	-12.23	11.87	6.58	-5.29
Child Welfare	157.67	232.34	6.82	5.89	-0.93	-13.66	10.76	13.69	2.93
UMTA: Small	155.09	142.59	3.00	2.57	-0.44	-14.57	4.66	3.66	-1.00
Ed of Handi Child	144.08	149.80	10.53	19.37	8.84	83.93	15.17	29.01	13.84
Hazard Elim	143.54	163.11	7.29	6.41	-0.88	-12.08	10.46	10.45	-0.01
Comm. Ser BG	130.10	388.29	0.00	9.49	9.49	--	0.00	36.86	36.86
Summer Food Child	101.98	110.14	17.55	25.32	7.77	44.27	17.90	27.89	9.99
Adult Ed	97.22	111.98	8.57	7.21	-1.36	-15.89	8.33	8.07	-0.26
Ag. Exper. Stat	91.58	107.53	3.05	3.05	0.00	0.12	2.79	3.28	0.49
Food Dist: Elderly	85.74	129.93	9.75	9.70	-0.05	-0.54	8.36	12.60	4.24
Airport Impr:S	32.22	149.57	4.62	4.58	-0.04	-0.97	1.49	6.85	5.36
Total/Weighted Avg.	72,868.47	89,157.27	11.13	11.80	0.67	6.05	8,108.06	10,521.05	2,412.99

Table 2

Total Awards, New York's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real (1982) Dollars

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Medicaid	18,424.99	24,976.50	3,429.37	4,235.01	35.56	23.49
AFDC	7,355.04	8,206.80	828.50	1,006.45	11.58	21.48
General Revenue	5,441.70	--	581.73	--	--	--
Const. Grants	4,063.61	1,461.72	319.31	166.00	-64.03	-48.01
Interstate Const.	3,768.10	1,878.59	159.20	10.75	-50.14	-93.25
Ed. Depr. Child	3,127.53	3,400.90	276.10	361.32	8.74	30.87
CDBG: Large	2,760.94	1,578.16	402.28	216.47	-42.84	-46.19
S.S. Block Grnt	2,396.17	2,140.77	156.70	154.82	-10.66	-1.20
School Lunch	2,432.42	2,282.52	187.77	171.91	-6.16	-8.44
JTPA II-A	1,690.59	1,360.06	114.62	75.39	-19.55	-34.23
LIHEAP	1,848.82	1,101.35	236.45	140.14	-40.43	-40.73
Primary System	1,717.60	1,814.03	97.67	107.63	5.61	10.20
UMTA: Large	1,360.80	1,142.74	269.04	268.51	-16.02	-0.20
Bridge Rep. Reh.	980.65	1,091.63	78.71	109.44	11.32	39.05
WIC	960.22	1,399.70	79.13	119.00	45.77	50.38
Food Dist.: Child	955.21	742.15	68.00	50.37	-22.30	-25.92
CDBG: Small	933.70	656.24	39.67	28.44	-29.72	-28.30
Ed. of Hand	908.01	1,106.78	47.60	64.54	21.89	35.57
Rehab. services	883.41	1,063.54	56.96	68.56	20.39	20.36
Interstate 4R	750.78	1,964.41	18.31	68.94	161.65	276.62
JTPA IIB	823.93	553.73	70.06	30.33	-32.79	-56.71
Urban System	818.96	576.16	84.26	50.47	-29.65	-40.10
Emp. Ser. Admin	666.75	588.13	57.94	44.74	-11.79	-22.79
UnEm Ins	727.81	1,122.78	67.95	92.50	54.27	36.13
Head Start	725.65	844.91	59.18	71.51	16.43	20.83
Voc Ed	713.37	651.73	52.24	42.20	-8.64	-19.21
School Assist	660.02	525.13	34.84	11.96	-20.44	-65.66
Rural Secondary	615.33	463.38	20.12	14.[illegible]	-24.69	-30.12
Improv School P	421.29	381.88	30.41	26.34	-9.35	-13.41
Alco.Drug. MH	420.18	393.20	37.78	32.95	-6.42	-12.78
Child Support Enf	416.72	630.12	50.60	82.96	51.21	63.93
Refugee Assist	385.24	238.50	4.34	22.06	-38.09	408.89
UDAG	377.59	154.63	22.03	10.62	-59.05	-51.77
Maternal Child Healt	371.28	357.50	28.43	27.74	-3.71	-2.44
Win	368.77	75.43	32.54	6.57	-79.55	-79.80
Older Am: Nutr	362.49	340.14	30.38	26.88	-6.17	-11.51
School Break	333.96	362.92	27.34	29.40	8.67	7.53
Foster care	327.28	608.54	115.35	167.68	85.94	45.37
Child Care Food	309.54	406.99	30.06	31.97	31.48	6.35
Senior Com. Ser	288.25	266.65	21.83	18.43	-7.49	-15.55
Interstate Sub	246.58	421.95	22.81	121.31	71.12	431.82
Migrant Ed	271.41	212.37	4.52	3.67	-21.75	-18.66
Older Am Support	260.80	216.35	21.86	17.10	-17.05	-21.78

Table 2

Total Awards, New York's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real (1982) Dollars (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Schools & Roads	245.17	261.27	0.00	0.01	6.57	0.00
Airport Imp: P	219.74	724.54	17.44	42.84	229.72	145.66
Rail Highway	196.48	124.21	8.65	4.82	-36.78	-44.22
Wap	185.48	129.73	19.16	13.37	-30.06	-30.24
Wat&Waste Disp	182.47	75.32	6.56	3.47	-58.72	-47.15
Dislocated Wor	151.72	174.84	9.68	6.85	15.24	-29.20
State &Com. High	172.05	84.23	12.58	5.41	-51.04	-57.03
Child Welfare	167.13	190.91	11.41	11.25	14.23	-1.37
UMTA: Small	164.40	113.71	4.94	2.92	-30.83	-40.91
Ed of Handi Child	152.72	123.09	16.08	23.84	-19.40	48.24
Hazard Elim	152.15	130.07	11.09	8.33	-14.51	-24.84
Comm. Ser BG	130.10	319.06	0.00	30.29	145.24	--
Summer Food Child	108.10	93.58	18.97	23.70	-13.43	24.89
Adult Ed	103.05	89.30	8.83	6.44	-13.35	-27.12
Ag. Exper. Stat	97.07	88.36	2.96	2.70	-8.98	-8.87
Food Dist: Elderly	90.88	110.39	8.86	10.71	21.46	20.80
Airport Impr:S	34.15	122.90	1.58	5.63	259.85	256.38
Total/Weighted Avg.	76,226.36	72,717.24	8,532.74	8,609.71	-4.60	0.90

Federal Grant Program Spending:

Ohio

1981 - 1988

Diane DeVaul

Northeast-Midwest Institute
The Center for Regional Policy
218 D Street, S.E.
Washington, D.C. 20003

October 1989

Grants-in-aid to state and local governments constitute one of the four major federal spending categories. (The other three are procurement, salaries and wages, and direct payments to individuals.) Ohio's share of the total amount of federal grants to state and local governments rose from 3.99 percent to 4.27 percent from fiscal 1981 to fiscal 1988. Two criteria often are used to compare states' performance in receipt of grant funds: relative tax burden and population. Ohio's tax burden--its payment of federal revenues--fell from 4.91 percent to 4.20 percent during this period, while its population fell from 4.70 to 4.39 percent of the U.S. total. Figure 1 compares Ohio's population and tax burden to its receipt of grants in all federal programs and the 60 largest programs.

A recent report published by the Northeast-Midwest Institute, Federal Funding Formulas and State Allocations: What Share for the Northeast and Midwest? examines 56 programs that awarded grants over $100 million in fiscal 1981, plus four others that reached $100 million by fiscal 1988. Grants to Ohio in these programs increased in nominal dollars from $2,901.5 million (3.98 percent of the total) to $3,903.4 million (4.38 percent) during the period studied. Table 1 presents the amount Ohio received in these 60 programs and its share relative to other states. The programs are listed in descending order of dollar amounts awarded in fiscal 1981 or the first year of program operation. Awards in the "first" year are compared to those in the "last" year--the latest fiscal year for which state-by-state allocations are available from government agencies; years range from fiscal 1987 to fiscal 1990. Table 2 presents similar information in 1982 (real) dollars. It shows that Ohio received a 5.08 percent increase, from $3,032.9 million to $3,186.9 million, while nationally the buying power of grants decreased by 4.60 percent.

Although the state's receipts fell in real dollars for about two-thirds of the grant programs, the overall increase came from substantial gains in the following programs: Medicaid; Aid to Families with Dependent Children (AFDC); Interstate 4R; Education of Deprived Children; and Supplemental Food Program for Women, Infants and Children. These increases offset losses in other programs, especially in Construction Grants for Wastewater Treatment, Community Development Block Grants to large urban areas, and the Job Training Partnership Act. Ohio's share of funding rose in several programs, particularly Medicaid and Education of Deprived Children, offseting losses in others. It also benefited from large increases nationally in programs such as Medicaid and AFDC.

Programs Gaining the Most in Funding for Ohio

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Medicaid	1.64	917.07	619.97
2. AFDC	0.06	157.86	47.50
3. Interstate 4R	-0.19	69.09	47.46
4. Ed. Depr. Child.	0.43	54.58	23.12
5. WIC	-0.39	32.27	15.98

Programs Losing the Most in Funding for Ohio

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Const. Grants	0.74	-87.44	-120.56
2. CDBG: Entitlement Cities	-0.38	-44.23	-69.91
3. Interstate Const.	-0.47	-35.37	-42.47
4. JTPA IIA	-0.93	-22.29	-31.24
5. LIHEAP	-0.03	-19.11	-38.89

Programs in which Ohio's Share Increased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. UDAG	4.86	13.15	8.29	170.69	7.44
2. Foster Care	1.33	3.11	1.78	133.93	18.15
3. Medicaid	3.22	4.86	1.64	50.74	917.07
4. Interstate Sub.	0.39	1.80	1.41	362.10	8.81
5. Airport Imp: Primary	2.47	3.66	1.19	48.15	26.85

Programs in Which Ohio's Share Decreased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. Comm. Ser. Block Grant	8.10	4.26	-3.84	-47.36	6.02
2. Ed. of Handi. Child.	4.86	2.54	-2.32	-47.65	-3.19
3. UMTA: Large Cities	4.79	3.44	-1.34	-28.09	-12.12
4. Dislocated Workers	7.00	5.75	-1.25	-17.92	1.16
5. UMTA: Small Cities	3.52	2.50	-1.02	-28.88	-1.89

With politicians reluctant to consider tax increases or entitlement and military reductions, competition for domestic discretionary program funds--social and economic development initiatives of interest to states and communities--has become fierce. Recent decisions made by Congress and the administration--bailing out insolvent savings and loan institutions, promoting NASA's $30-billion space station, and building the superconducting supercollider--will divert many of these scarce federal dollars away from Ohio toward states in the South and West. Ohio taxpayers, for example, will pay an estimated $1,135 million for the 1988 savings and loan bail-out actions, although only $136 million will go to help the state's institutions.

Two factors will continue to affect Ohio's receipt of grant program funds: increases or cuts in overall appropriations, and gains or losses in the state's share of total funds allocated. The 1990 census may well hurt Ohio on both of these factors. The Northeast-Midwest region will probably lose 14 seats in the House of Representatives, two of them in Ohio. This loss of political influence will diminish the ability of members from the region to set funding priorities and to defend programs of particular benefit to the region from spending cuts.

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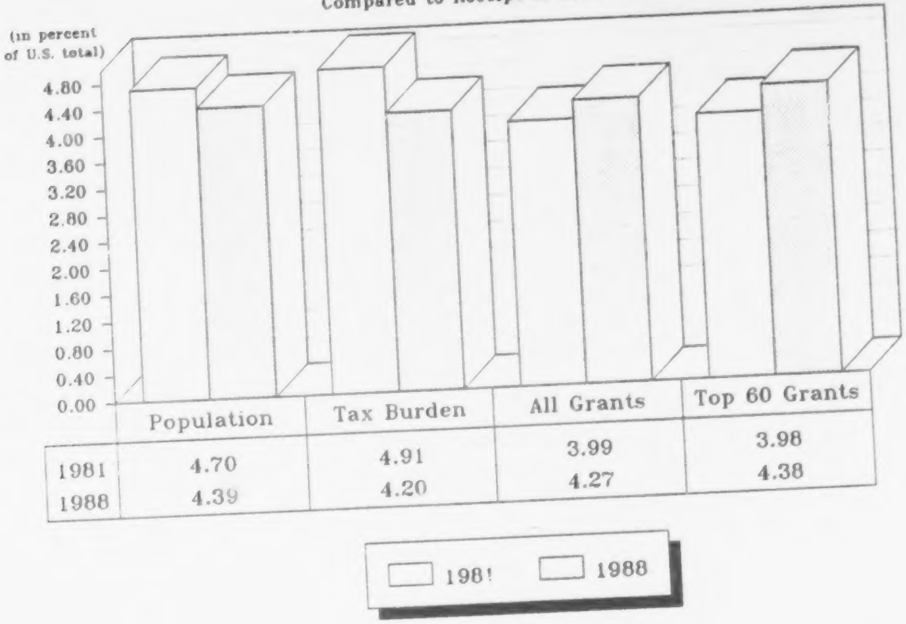
Many grant formulas that allocate federal funds work against the interests of Ohio and other states in the Northeast-Midwest region by underestimating the need for federal assistance, overestimating fiscal (tax-raising) capacity, and underestimating the costs of service responsibilities. For lawmakers interested in promoting more equitable patterns of funding, many opportunities exist to target federal grants more precisely to the people and places in greatest need. Many grant formulas were fashioned years ago when Congress was less concerned with budget deficits. As a result, formulas frequently contain crude and inaccurate factors approximating states' needs and their ability to meet those needs. Congress can correct these distortions when it reauthorizes the grant programs.

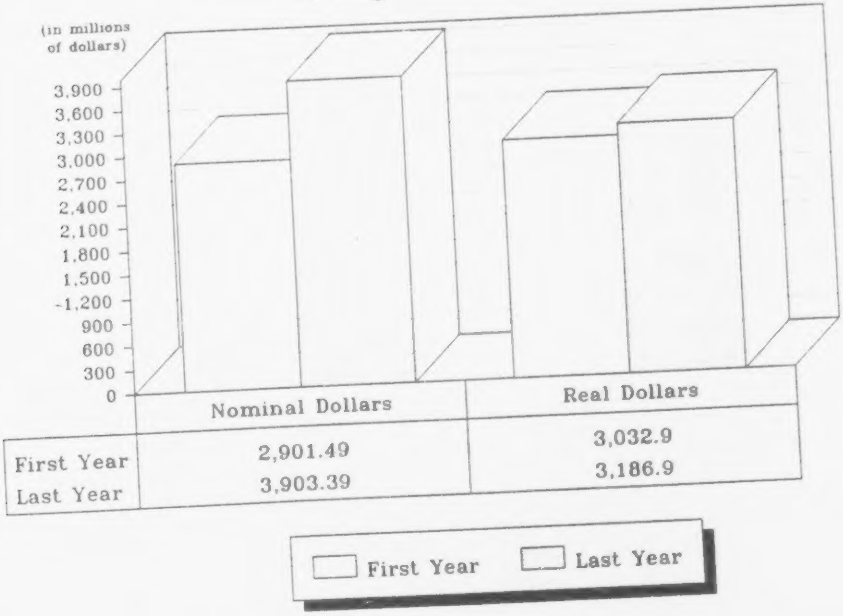
Ohio

Figure 1. State Population and Tax Burden Compared to Receipt of Grant Funds



	Population	Tax Burden	All Grants	Top 60 Grants
1981	4.70	4.91	3.99	3.98
1988	4.39	4.20	4.27	4.38

Figure 2. Total State Federal Funding for 60 Largest Grants



	Nominal Dollars	Real Dollars
First Year	2,901.49	3,032.9
Last Year	3,903.39	3,186.9

Table 1

Total Awards, Ohio's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Differ-ence in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Medicaid	17,382.07	30,396.40	3.22	4.86	1.64	50.74	560.54	1,477.61	917.07
AFDC	6,938.72	9,987.67	4.97	5.03	0.06	1.26	344.98	502.84	157.86
General Revenue	5,133.68		4.04	0.00	-4.04	-100.00	207.48	0.00	-207.48
Const. Grants	3,833.59	1,833.00	5.05	5.79	0.74	14.69	193.61	106.17	-87.44
Interstate Const.	3,768.10	2,421.50	1.78	1.31	-0.47	-26.48	67.05	31.68	-35.37
Ed. Depr. Child	2,950.50	4,138.90	3.09	3.52	0.43	13.96	91.18	145.76	54.58
CDBG: Large	2,604.66	1,920.62	5.41	5.03	-0.38	-6.97	140.85	96.62	-44.23
S.S. Block Grnt	2,489.62	2,684.53	4.91	4.39	-0.52	-10.52	122.16	117.87	-4.29
School Lunch	2,294.74	2,686.53	3.84	3.75	-0.09	-2.25	88.07	100.79	12.72
JTPA II-A	1,820.77	1,705.52	5.64	4.71	-0.93	-16.42	102.69	80.40	-22.29
LIHEAP	1,744.17	1,381.09	5.16	5.14	-0.03	-0.50	90.08	70.97	-19.11
Primary System	1,620.38	2,274.79	3.91	4.13	0.22	5.56	63.41	93.97	30.56
UMTA: Large	1,283.77	1,433.00	4.79	3.44	-1.34	-28.09	61.44	49.32	-12.12
Bridge Rep. Reh.	925.14	1,368.91	2.29	3.28	0.98	42.84	21.22	44.85	23.63
WIC	905.87	1,703.44	4.88	4.49	-0.39	-8.01	44.22	76.49	32.27
Food Dist.: Child	901.14	873.51	4.39	4.19	-0.20	-4.65	39.59	36.59	-3.00
CDBG: Small	880.85	798.65	4.46	4.51	0.05	1.06	39.32	36.03	-3.29
Ed. of Hand	856.61	1,387.90	4.99	4.56	-0.43	-8.62	42.76	63.31	20.55
Rehab. services	833.41	1,251.79	4.90	4.79	-0.11	-2.15	40.83	60.01	19.18
Interstate 4R	780.06	2,532.12	4.21	4.03	-0.19	-4.42	32.86	101.95	69.09
JTPA IIB	777.29	673.89	4.84	4.59	-0.25	-5.10	37.63	30.96	-6.67
Urban System	772.60	722.51	5.25	4.62	-0.63	-12.03	40.60	33.40	-7.20
Emp. Ser. Admin	718.09	737.51	4.38	4.14	-0.24	-5.45	31.45	30.54	-0.91
UnEm Ins	686.61	1,407.97	3.79	3.40	-0.39	-10.25	25.99	47.83	21.84
Head Start	684.58	1,059.52	4.63	4.68	0.04	0.93	31.73	49.56	17.83
Voc Ed	672.99	793.16	4.93	4.68	-0.25	-5.07	33.16	37.10	3.94
School Assist	622.66	639.08	1.33	0.76	-0.57	-42.95	8.30	4.86	-3.44
Rural Secondary	580.50	581.08	3.19	3.22	0.03	1.09	18.49	18.71	0.22
Improv School P	437.72	464.75	4.69	4.54	-0.15	-3.20	20.51	21.08	0.57
Alco,Drug, MH	420.18	478.52	5.30	4.93	-0.37	-6.99	22.27	23.59	1.32
Child Support Enf	393.13	741.65	3.49	2.96	-0.54	-15.33	13.73	21.93	8.20

Table 1

Total Awards, Ohio's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Refugee Assist	363.43	290.26	0.63	1.11	0.48	76.83	2.28	3.22	0.94
UDAG	356.22	188.19	4.86	13.15	8.29	170.69	17.30	24.74	7.44
Maternal Child Healt	350.26	448.30	4.35	4.32	-0.03	-0.76	15.25	19.37	4.12
Win	347.90	91.80	5.79	5.60	-0.19	-3.28	20.14	5.14	-15.00
Older Am: Nutr	341.97	426.53	4.55	4.45	-0.09	-2.09	15.55	18.99	3.44
School Break	315.06	427.16	4.06	3.68	-0.38	-9.28	12.78	15.72	2.94
Foster care	308.75	716.25	1.33	3.11	1.78	133.93	4.10	22.25	18.15
Child Care Food	292.02	479.03	3.13	2.81	-0.32	-10.19	9.15	13.48	4.33
Senior Com. Ser	271.93	324.51	4.43	4.50	0.07	1.61	12.04	14.60	2.56
Interstate Sub	256.20	543.89	0.39	1.80	1.41	362.10	1.00	9.81	8.81
Migrant Ed	256.05	258.46	0.67	0.49	-0.18	-26.42	1.71	1.27	-0.44
Older Am Support	246.04	271.30	4.55	4.45	-0.10	-2.10	11.19	12.08	0.89
Schools & Roads	231.29	317.97	0.04	0.03	-0.01	-34.53	0.10	0.09	-0.01
Airport Imp: P	219.74	881.76	2.47	3.66	1.19	48.15	5.43	32.28	26.85
Rail Highway	185.36	155.76	4.42	4.31	-0.11	-2.50	8.19	6.71	-1.48
Wap	174.98	157.88	5.79	5.68	-0.12	-2.07	10.14	8.96	-1.18
Wat&Waste Disp	172.14	91.67	3.58	4.34	0.76	21.33	6.16	3.98	-2.18
Dislocated Wor	163.40	219.25	7.00	5.75	-1.25	-17.92	11.44	12.60	1.16
State &Com. High	162.31	102.51	4.58	4.23	-0.34	-7.51	7.43	4.34	-3.09
Child Welfare	157.67	232.34	4.87	4.65	-0.22	-4.57	7.68	10.80	3.12
UMTA: Small	155.09	142.59	3.52	2.50	-1.02	-28.88	5.46	3.57	-1.89
Ed of Handi Child	144.08	149.80	4.86	2.54	-2.32	-47.65	7.00	3.81	-3.19
Hazard Elim	143.54	163.11	4.57	4.23	-0.34	-7.44	6.56	6.90	0.34
Comm. Ser BG	130.10	388.29	8.10	4.26	-3.84	-47.36	10.54	16.56	6.02
Summer Food Child	101.98	110.14	2.53	1.62	-0.91	-36.12	2.58	1.78	-0.80
Adult Ed	97.22	111.98	4.87	4.37	-0.50	-10.24	4.73	4.89	0.16
Ag. Exper. Stat	91.58	107.53	3.69	3.77	0.08	2.05	3.38	4.05	0.67
Food Dist: Elderly	85.74	129.93	3.52	3.20	-0.32	-9.10	3.02	4.16	1.14
Airport Impr:S	32.22	149.57	2.98	2.98	0.00	-0.14	0.96	4.45	3.49
Total	**72,868.47**	**89,157.27**	**3.98**	**4.38**	**0.40**	**9.95**	**2,901.49**	**3,903.39**	**1,001.90**

Table 2

Total Awards, Ohio's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real Dollars

	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
Program Name	(in millions of real dollars)				(in percent)	
Medicaid	18,424.99	24,976.50	594.17	1,214.14	35.56	104.34
AFDC	7.355.04	8,206.80	365.68	413.18	11.58	12.99
General Revenue	5,441.70		219.93			
Const. Grants	4,063.61	1,461.72	205.23	84.67	-64.03	-58.75
Interstate Const.	3,768.10	1,878.59	67.05	24.58	-50.14	-63.34
Ed. Depr. Child	3.127.53	3,400.90	96.65	119.77	8.74	23.92
CDBG: Large	2,760.94	1,578.16	149.30	79.39	-42.84	-46.82
S.S. Block Grnt	2,396.17	2,140.77	117.57	94.00	-10.66	-20.05
School Lunch	2,432.42	2,282.52	93.35	85.63	-6.16	-8.27
JTPA II-A	1,690.59	1,360.06	95.35	64.11	-19.55	-32.76
LIHEAP	1,848.82	1,101.35	95.48	56.59	-40.43	-40.73
Primary System	1,717.60	1,814.03	67.21	74.94	5.61	11.49
UMTA: Large	1,360.80	1,142.74	65.13	39.33	-16.02	-39.61
Bridge Rep. Reh.	980.65	1,091.63	22.49	35.77	11.32	59.01
WIC	960.22	1,399.70	46.87	62.85	45.77	34.09
Food Dist.: Child	955.21	742.15	41.97	31.09	-22.30	-25.92
CDBG: Small	933.70	656.24	41.68	29.61	-29.72	-28.97
Ed. of Hand	908.01	1,106.78	45.33	50.49	21.89	11.39
Rehab. services	883.41	1,063.54	43.28	50.99	20.39	17.80
Interstate 4R	750.78	1,964.41	31.63	79.09	161.65	150.08
JTPA IIB	823.93	553.73	39.89	25.44	-32.79	-36.22
Urban System	818.96	576.16	43.04	26.63	-29.65	-38.11
Emp. Ser. Admin	666.75	588.13	29.20	24.35	-11.79	-16.60
UnEm Ins	727.81	1.122.78	27.55	38.14	54.27	38.45
Head Start	725.65	844.91	33.63	39.52	16.43	17.51
Voc Ed	713.37	651.73	35.15	30.48	-8.64	-13.27
School Assist	660.02	525.13	8.80	3.99	-20.44	-54.61
Rural Secondary	615.33	463.38	19.60	14.92	-24.69	-23.87
Improv School P	421.29	381.88	19.74	17.32	-9.35	-12.25
Alco,Drug, MH	420.18	393.20	22.27	19.38	-6.42	-12.96
Child Support Enf	416.72	630.12	14.55	18.63	51.21	28.02
Refugee Assist	385.24	238.50	2.42	2.65	-38.09	9.48
UDAG	377.59	154.63	18.34	20.33	-59.05	10.86
Maternal Child Healt	371.28	357.50	16.16	15.45	-3.71	-4.44
Win	368.77	75.43	21.35	4.22	-79.55	-80.22
Older Am: Nutr	362.49	340.14	16.48	15.14	-6.17	-8.13
School Break	333.96	362.92	13.55	13.36	8.67	-1.41
Foster care	327.28	608.54	4.35	18.90	85.94	334.97
Child Care Food	309.54	406.99	9.70	11.45	31.48	18.08
Senior Com. Ser	288.25	266.65	12.76	12.00	-7.49	-6.00
Interstate Sub	246.58	421.95	0.96	7.61	71.12	690.74
Migrant Ed	271.41	212.37	1.81	1.04	-21.75	-42.43
Older Am Support	260.80	216.35	11.86	9.63	-17.05	-18.79

Table 2

Total Awards, Ohio's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real Dollars (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Schools & Roads	245.17	261.27	0.11	0.07	6.57	0.00
Airport Imp: P	219.74	724.54	5.43	26.52	229.72	388.48
Rail Highway	196.48	124.21	8.68	5.35	-36.78	-38.36
Wap	185.48	129.73	10.75	7.36	-30.06	-31.50
Wat&Waste Disp	182.47	75.32	6.53	3.27	-58.72	-49.92
Dislocated Wor	151.72	174.84	10.62	10.05	15.24	-5.41
State &Com. High	172.05	84.23	7.88	3.57	-51.04	-54.72
Child Welfare	167.13	190.91	8.14	8.87	14.23	9.01
UMTA: Small	164.40	113.71	5.79	2.85	-30.83	-50.81
Ed of Handi Child	152.72	123.09	7.42	3.13	-19.40	-57.81
Hazard Elim	152.15	130.07	6.95	5.50	-14.51	-20.87
Comm. Ser BG	130.10	319.06	10.54	13.61	145.24	29.10
Summer Food Child	108.10	93.58	2.73	1.51	-13.43	-44.70
Adult Ed	103.05	89.30	5.01	3.90	-13.35	-22.22
Ag. Exper. Stat	97.07	88.36	3.58	3.33	-8.98	-7.12
Food Dist: Elderly	90.88	110.39	3.20	3.53	21.46	10.41
Airport Impr:S	34.15	122.90	1.02	3.66	259.85	259.33
Total	76.226.36	72.717.24	3,032.90	3.186.90	-4.60	5.08

Federal Grant Program Spending:

Pennsylvania

1981 - 1988

Diane DeVaul

Northeast-Midwest Institute
The Center for Regional Policy
218 D Street, S.E.
Washington, D.C. 20003

October 1989

Grants-in-aid to state and local governments constitute one of the four major federal spending categories. (The other three are procurement, salaries and wages, and direct payments to individuals.) Pennsylvania's share of the total amount of federal grants to state and local governments rose from 5.24 percent to 5.27 percent between fiscal 1981 and fiscal 1988. Two criteria often are used to compare states' performance in receipt of grant funds: relative tax burden and population. Pennsylvania's tax burden--its payment of federal revenues--fell from 5.20 percent to 4.85 percent during this period, while its population fell from 5.17 to 4.83 percent of the U.S. total. Figure 1 compares Pennsylvania's population and tax burden to its receipt of grants in all federal programs and the 60 largest programs.

A recent report published by the Northeast-Midwest Institute, Federal Funding Formulas and State Allocations: What Share for the Northeast and Midwest? examines 56 programs that awarded grants over $100 million in fiscal 1981, plus four others that reached $100 million by fiscal 1988. Grants to Pennsylvania in these programs increased in nominal dollars from $3,745.1 million to $4,311.6 million, but its percentage share fell from 5.14 to 4.84 percent of the total during the period studied. Table 1 presents the amount Pennsylvania received in these 60 programs and its share relative to other states. The programs are listed in descending order of dollar amounts awarded in fiscal 1981 or the first year of program operation. Awards in the "first" year are compared to those in the "last" year--the latest fiscal year for which state-by-state allocations are available from government agencies; years range from fiscal 1987 to fiscal 1990. Table 2 presents similar information in 1982 (real) dollars. It shows that Pennsylvania's funding fell 10.3 percent, from $3,920.4 million to $3,517.5 million, compared to a 4.6 decline for grant programs nationally.

The state's receipts fell in real dollars for about two-thirds of the grant programs. Some programs increased in funding, including: Medicaid; the Educationally Deprived Children program; the Bridge Replacement and Rehabilitation and Interstate 4R programs; and Aid to Families with Dependent Children. These increases, however, were offset by losses in others, especially the Wastewater Treatment Construction Grants and Interstate Construction programs, Community Development Block Grants for large cities, and some social programs. Pennsylvania's share of funding rose in the now cancelled Urban Development Action Grant program, the Education of Handicapped Children program, the Bridge Replacement and Rehabilitation program, the Community Services Block Grant program, and the Interstate Substitution program. Losses in shares of other programs occurred, especially in the Foster Care, Dislocated Workers, and Unemployment Insurance programs. The state benefited from large increases nationally in Medicaid and AFDC.

Programs Gaining the Most in Funding for Pennsylvania

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Medicaid	-0.08	636.86	313.31
2. Ed. Deprived Children	0.73	82.74	36.96
3. Bridge Repl./Rehab.	1.44	45.47	22.18
4. Interstate 4R	-0.33	42.88	29.02
5. AFDC	-1.48	37.41	-69.74

Programs Losing the Most in Funding for Pennsylvania

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Const. Grants (wastewater)	-0.13	-86.67	-111.48
2. Interstate Construction	0.17	-66.11	-95.29
3. CDBG: Large Cities	-0.26	-58.87	-97.22
4. JTPA IIA	-1.46	-31.35	-38.48
5. LIHEAP	-0.03	-25.42	-51.73

Programs in which Pennsylvania's Share Increased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. UDAG	6.95	19.50	12.55	180.72	11.95
2. Ed. of Handi. Children	7.30	9.46	2.16	29.55	3.65
3. Bridge Repl./Rehab.	5.80	7.24	1.44	24.88	45.47
4. Comm. Serv. Block Grant	3.57	4.63	1.06	29.84	13.34
5. Interstate Sub.	0.62	1.60	0.97	155.55	7.08

Programs in which Pennsylvania's Share Decreased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. Foster Care	9.76	6.04	-3.72	-38.12	13.12
2. Dislocated Workers	6.62	3.86	-2.76	-41.66	-2.35
3. Unemployment Insurance	7.21	5.13	-2.09	-28.92	22.66
4. Summer Food Children	7.92	6.26	-1.66	-20.93	-1.18
5. AFDC	6.08	4.60	-1.48	-24.36	37.41

With politicians reluctant to consider tax increases or entitlement and military reductions, competition for domestic discretionary program funds--social and economic development initiatives of interest to states and communities--has become fierce. Recent decisions made by Congress and the administration--bailing out insolvent savings and loan institutions, cleaning up the Department of Energy's nuclear facilities, promoting NASA's $30-billion space station, and building the superconducting supercollider--will divert many of these scarce federal dollars away from Pennsylvania and toward states in the South and West. Pennsylvania taxpayers, for example, will pay an estimated $1,287 million for the 1988 savings and loan bail-out actions, although none of the state's institutions failed.

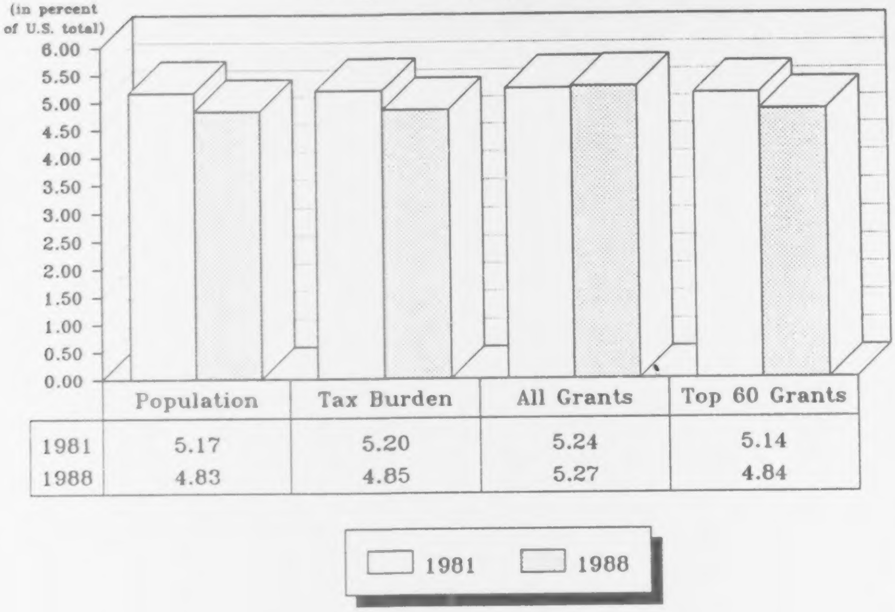
Two factors will continue to affect Pennsylvania's receipt of program funds: increases or cuts in overall appropriations, and gains or losses in the state's share of funds allocated. The 1990 census may well hurt Pennsylvania on both of these factors. The Northeast-Midwest region probably will lose 14 seats in the House of Representatives. Pennsylvania may lose two seats. This loss of political influence will diminish the ability of members from these states to set funding priorities and to defend programs of particular benefit to the region from spending cuts.

In addition, funds for 39 of the 60 major grant programs studied are allocated in part on the basis of population. Some formulas consider the entire population while others target specific sectors, such as school-age children, older Americans, the unemployed, or those living in poverty. Some grant programs use annual population estimates to adjust the allocations. In those cases, estimated population loss accounts for some of the observed decline in Pennsylvania's share of funding for these programs. Twenty major programs, however, use decennial census population factors in their formulas. Because Pennsylvania has not kept pace with the national growth in population, falling from 5.17 percent in 1981 to an estimated 4.73 percent by 1990, the state can expect that use of the 1990 census numbers, which take effect in 1992, will reduce its receipt of funds.

Many grant formulas work against the interests of Pennsylvania and other states in the Northeast-Midwest region by underestimating the need for federal assistance, overestimating fiscal (tax-raising) capacity, and underestimating the costs of service responsibilities. For lawmakers interested in promoting more equitable patterns of funding, many opportunities exist to target federal grants more precisely to the people and places in greatest need. Many grant formulas were fashioned years ago when Congress was less concerned with budget deficits. As a result, formulas frequently contain crude and inaccurate factors approximating states' needs and their ability to meet those needs. Congress can correct these distortions when it reauthorizes the grant programs.

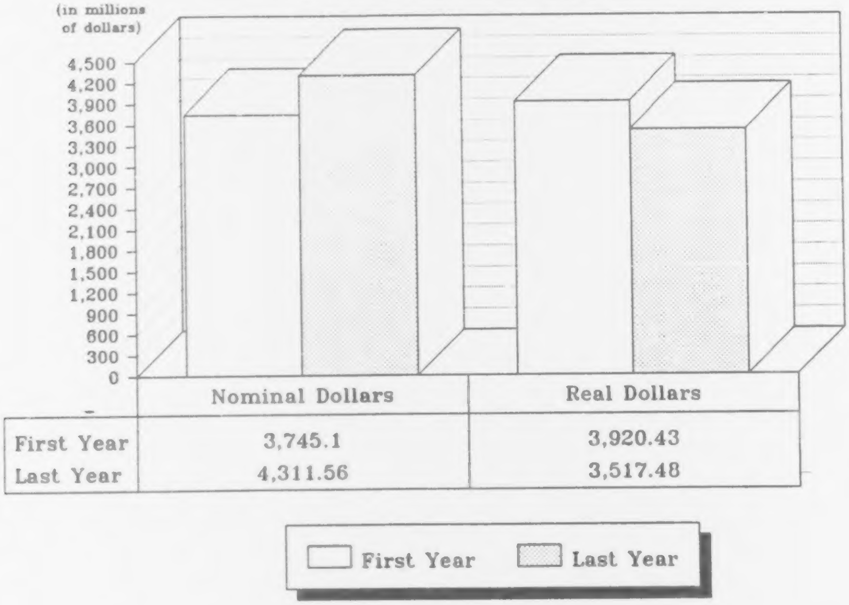
Pennsylvania

Figure 1. State Population and Tax Burden Compared to Receipt of Grant Funds



	Population	Tax Burden	All Grants	Top 60 Grants
1981	5.17	5.20	5.24	5.14
1988	4.83	4.85	5.27	4.84

Figure 2. Total State Federal Funding for 60 Largest Grants



	Nominal Dollars	Real Dollars
First Year	3,745.1	3,920.43
Last Year	4,311.56	3,517.48

Table 1

Total Awards, Pennsylvania's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Medicaid	17,382.07	30,396.40	5.07	4.99	-0.08	-1.49	881.18	1,518.04	636.86
AFDC	6,938.72	9,987.67	6.08	4.60	-1.48	-24.36	421.65	459.06	37.41
General Revenue	5,133.68	--	5.07	0.00	-5.07	-100.00	260.04	0.00	-260.04
Const. Grants	3,833.59	1,833.00	4.21	4.08	-0.13	-3.19	161.37	74.70	-86.67
Interstate Const.	3,768.10	2,421.50	5.21	5.38	0.17	3.20	196.28	130.17	-66.11
Ed. Depr. Child	2,950.50	4,138.90	4.41	5.15	0.73	16.58	130.23	212.97	82.74
CDBG: Large	2,604.66	1,920.62	7.87	7.61	-0.26	-3.33	204.99	146.12	-58.87
S.S. Block Grnt	2,489.62	2,684.53	4.77	4.83	0.07	1.37	118.65	129.69	11.04
School Lunch	2,294.74	2,686.53	4.09	3.56	-0.53	-12.96	93.91	95.70	1.79
JTPA II-A	1,820.77	1,705.52	5.65	4.19	-1.46	-25.78	102.85	71.50	-31.35
LIHEAP	1,744.17	1,381.09	6.87	6.84	-0.03	-0.50	119.82	94.40	-25.42
Primary System	1,620.38	2,274.79	4.49	4.75	0.26	5.74	72.74	107.98	35.24
UMTA: Large	1,283.77	1,433.00	6.85	6.10	-0.75	-10.95	87.99	87.46	-0.53
Bridge Rep. Reh.	925.14	1,368.91	5.80	7.24	1.44	24.88	53.63	99.10	45.47
WIC	905.87	1,703.44	3.73	4.03	0.30	8.01	33.80	68.65	34.85
Food Dist.: Child	901.14	873.51	4.62	5.06	0.44	9.50	41.67	44.23	2.56
CDBG: Small	880.85	798.65	4.29	4.64	0.35	8.22	37.76	37.05	-0.71
Ed. of Hand	856.61	1,387.90	4.63	4.45	-0.18	-3.89	39.70	61.82	22.12
Rehab. services	833.41	1,251.79	5.35	5.30	-0.04	-0.83	44.55	66.36	21.81
Interstate 4R	780.06	2,532.12	2.92	2.59	-0.33	-11.23	22.79	65.67	42.88
JTPA IIB	777.29	673.89	5.27	3.98	-1.29	-24.47	40.99	26.84	-14.15
Urban System	772.60	722.51	5.42	4.75	-0.67	-12.39	41.89	34.32	-7.57
Emp. Ser. Admin	718.09	737.51	4.67	4.23	-0.44	-9.40	33.54	31.21	-2.33
UnEm Ins	686.61	1,407.97	7.21	5.13	-2.09	-28.92	49.52	72.18	22.66
Head Start	684.58	1,059.52	4.95	4.77	-0.18	-3.70	33.91	50.54	16.63
Voc Ed	672.99	793.16	5.21	4.96	-0.26	-4.95	35.09	39.31	4.22
School Assist	622.66	639.08	1.59	0.62	-0.97	-61.22	9.90	3.94	-5.96
Rural Secondary	580.50	581.08	3.96	3.81	-0.16	-3.92	23.01	22.13	-0.88
Improv School P	437.72	464.75	4.82	4.54	-0.28	-5.73	21.09	21.11	0.02
Alco,Drug, MH	420.18	478.52	5.62	5.25	-0.37	-6.61	23.61	25.11	1.50
Child Support Enf	393.13	741.65	5.71	5.68	-0.04	-0.66	22.46	42.09	19.63

Table 1

Total Awards, Pennsylvania's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Refugee Assist	363.43	290.26	2.34	2.62	0.28	12.08	8.49	7.60	-0.89
UDAG	356.22	188.19	6.95	19.50	12.55	180.72	24.74	36.69	11.95
Maternal Child Healt	350.26	448.30	4.88	4.82	-0.06	-1.15	17.08	21.61	4.53
Win	347.90	91.80	4.45	4.58	0.13	2.89	15.47	4.20	-11.27
Older Am: Nutr	341.97	426.53	5.96	5.80	-0.16	-2.76	20.39	24.73	4.34
School Break	315.06	427.16	1.75	1.60	-0.15	-8.57	5.51	6.83	1.32
Foster care	308.75	716.25	9.76	6.04	-3.72	-38.12	30.13	43.25	13.12
Child Care Food	292.02	479.03	3.56	3.25	-0.32	-8.94	10.41	15.55	5.14
Senior Com. Ser	271.93	324.51	5.73	5.73	0.01	0.09	15.58	18.61	3.03
Interstate Sub	256.20	543.89	0.62	1.60	0.97	155.55	1.60	8.68	7.08
Migrant Ed	256.05	258.46	0.93	0.80	-0.13	-14.20	2.39	2.07	-0.32
Older Am Support	246.04	271.30	5.92	5.80	-0.12	-2.02	14.56	15.73	1.17
Schools & Roads	231.29	317.97	0.38	0.70	0.32	85.61	0.87	2.22	1.35
Airport Imp: P	219.74	881.76	4.07	5.03	0.96	23.66	8.94	44.36	35.42
Rail Highway	185.36	155.76	3.89	3.69	-0.20	-5.26	7.21	5.74	-1.47
Wap	174.98	157.88	7.10	6.63	-0.47	-6.66	12.42	10.46	-1.96
Wat&Waste Disp	172.14	91.67	4.99	5.49	0.50	9.96	8.59	5.03	-3.56
Dislocated Wor	163.40	219.25	6.62	3.86	-2.76	-41.66	10.82	8.47	-2.35
State &Com. High	162.31	102.51	5.03	4.60	-0.42	-8.41	8.16	4.72	-3.44
Child Welfare	157.67	232.34	4.92	4.62	-0.29	-5.96	7.75	10.74	2.99
UMTA: Small	155.09	142.59	5.56	4.98	-0.58	-10.41	8.62	7.10	-1.52
Ed of Handi Child	144.08	149.80	7.30	9.46	2.16	29.55	10.52	14.17	3.65
Hazard Elim	143.54	163.11	5.02	4.59	-0.43	-8.58	7.21	7.49	0.28
Comm. Ser BG	130.10	388.29	3.57	4.63	1.06	29.84	4.64	17.98	13.34
Summer Food Child	101.98	110.14	7.92	6.26	-1.66	-20.93	8.08	6.90	-1.18
Adult Ed	97.22	111.98	5.78	5.04	-0.74	-12.87	5.62	5.64	0.02
Ag. Exper. Stat	91.58	107.53	3.72	3.76	0.03	0.90	3.41	4.04	0.63
Food Dist: Elderly	85.74	129.93	4.93	5.13	0.20	4.05	4.23	6.67	2.44
Airport Impr:S	32.22	149.57	3.26	3.23	-0.03	-0.91	1.05	4.83	3.78
Total/Weighted Avg.	72,868.47	89,157.27	5.14	4.84	-0.30	-5.91	3,745.10	4,311.56	566.46

Table 2

Total Awards, Pennsylvania' Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real (1982) Dollars

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Medicaid	18,424.99	24,976.50	934.05	1,247.36	35.56	33.54
AFDC	7,355.04	8,206.80	446.95	377.21	11.58	-15.60
General Revenue	5,441.70	--	275.64	--	--	--
Const. Grants	4,063.61	1,461.72	171.05	59.57	-64.03	-65.17
Interstate Const.	3,768.10	1,878.59	196.28	100.99	-50.14	-48.55
Ed. Depr. Child	3,127.53	3,400.90	138.04	175.00	8.74	26.77
CDBG: Large	2,760.94	1,578.16	217.29	120.07	-42.84	-44.74
S.S. Block Grnt	2,396.17	2,140.77	114.20	103.42	-10.66	-9.44
School Lunch	2,432.42	2,282.52	99.54	81.31	-6.16	-18.32
JTPA II-A	1,690.59	1,360.06	95.50	57.02	-19.55	-40.29
LIHEAP	1,848.82	1,101.35	127.01	75.28	-40.43	-40.73
Primary System	1,717.60	1,814.03	77.10	86.11	5.61	11.68
UMTA: Large	1,360.80	1,142.74	93.27	69.74	-16.02	-25.22
Bridge Rep. Reh.	980.65	1,091.63	56.85	79.03	11.32	39.02
WIC	960.22	1,399.70	35.83	56.41	45.77	57.44
Food Dist.: Child	955.21	742.15	44.17	37.58	-22.30	-14.92
CDBG: Small	933.70	656.24	40.03	30.44	-29.72	-23.94
Ed. of Hand	908.01	1,106.78	42.08	49.30	21.89	17.15
Rehab. services	883.41	1,063.54	47.22	56.38	20.39	19.39
Interstate 4R	750.78	1,964.41	21.93	50.95	161.65	132.27
JTPA IIB	823.93	553.73	43.45	22.05	-32.79	-49.24
Urban System	818.96	576.16	44.40	27.37	-29.65	-38.36
Emp. Ser. Admin	666.75	588.13	31.14	24.89	-11.79	-20.08
UnEm Ins	727.81	1,122.78	52.49	57.56	54.27	9.66
Head Start	725.65	844.91	35.94	40.30	16.43	12.13
Voc Ed	713.37	651.73	37.20	32.30	-8.64	-13.16
School Assist	660.02	525.13	10.49	3.24	-20.44	-69.15
Rural Secondary	615.33	463.38	24.39	17.65	-24.69	-27.65
Improv School P	421.29	381.88	20.30	17.35	-9.35	-14.55
Alco,Drug, MH	420.18	393.20	23.61	20.63	-6.42	-12.61
Child Support Enf	416.72	630.12	23.81	35.76	51.21	50.21
Refugee Assist	385.24	238.50	9.00	6.24	-38.09	-30.61
UDAG	377.59	154.63	26.22	30.15	-59.05	14.96
Maternal Child Healt	371.28	357.50	18.10	17.23	-3.71	-4.82
Win	368.77	75.43	16.40	3.45	-79.55	-78.95
Older Am: Nutr	362.49	340.14	21.61	19.72	-6.17	-8.76
School Break	333.96	362.92	5.84	5.80	8.67	-0.65
Foster care	327.28	608.54	31.94	36.75	85.94	15.05
Child Care Food	309.54	406.99	11.03	13.21	31.48	19.73
Senior Com. Ser	288.25	266.65	16.51	15.29	-7.49	-7.41
Interstate Sub	246.58	421.95	1.54	6.73	71.12	337.28
Migrant Ed	271.41	212.37	2.53	1.70	-21.75	-32.86
Older Am Support	260.80	216.35	15.43	12.54	-17.05	-18.72

Table 2

Total Awards, Pennsylvania' Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real (1982) Dollars (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Schools & Roads	245.17	261.27	0.92	1.82	6.57	0.00
Airport Imp: P	219.74	724.54	8.94	36.45	229.72	307.72
Rail Highway	196.48	124.21	7.64	4.58	-36.78	-40.11
Wap	185.48	129.73	13.17	8.59	-30.06	-34.71
Wat&Waste Disp	182.47	75.32	9.11	4.13	-58.72	-54.61
Dislocated Wor	151.72	174.84	10.05	6.75	15.24	-32.77
State &Com. High	172.05	84.23	8.65	3.88	-51.04	-55.16
Child Welfare	167.13	190.91	8.22	8.82	14.23	7.43
UMTA: Small	164.40	113.71	9.14	5.66	-30.83	-38.03
Ed of Handi Child	152.72	123.09	11.15	11.64	-19.40	4.41
Hazard Elim	152.15	130.07	7.64	5.97	-14.51	-21.85
Comm. Ser BG	130.10	319.06	4.64	14.77	145.24	218.41
Summer Food Child	108.10	93.58	8.56	5.86	-13.43	-31.55
Adult Ed	103.05	89.30	5.96	4.50	-13.35	-24.50
Ag. Exper. Stat	97.07	88.36	3.61	3.32	-8.98	-8.16
Food Dist: Elderly	90.88	110.39	4.48	5.67	21.46	26.39
Airport Impr:S	34.15	122.90	1.11	3.97	259.85	256.58
Total/Weighted Avg.	76,226.36	72,717.24	3,920.43	3,517.48	-4.60	-10.28

Federal Grant Program Spending:

Rhode Island

1981 - 1988

Diane DeVaul

Northeast-Midwest Institute
The Center for Regional Policy
218 D Street, S.E.
Washington, D.C. 20003

October 1989

Grants-in-aid to state and local governments constitute one of the four major federal spending categories. (The other three are procurement, salaries and wages, and direct payments to individuals.) Rhode Island's share of the total amount of federal grants to state and local governments rose from 0.52 percent to 0.59 percent between fiscal 1981 to fiscal 1988. Two criteria often are used to compare states' performance in receipts of grant funds: relative tax burden and population. Rhode Island's tax burden--its payment of federal revenues--increased from 0.41 percent to 0.43 percent during this period, while its population fell from 0.41 to 0.40. Figure 1 compares Rhode Island's population and tax burden to its receipt of grants in all federal programs and the 60 largest programs.

A recent report published by the Northeast-Midwest Institute, Federal Funding Formulas and State Allocations: What Share for the Northeast and Midwest? examines 56 programs that awarded grants over $100 million in fiscal 1981, plus four others that reached $100 million by fiscal 1988. Grants to Rhode Island in these programs increased in nominal dollars from $415 million (0.57 percent of the total) to $504 million (0.57 percent) during the period studied. Table 1 presents the amount Rhode Island received in these 60 programs and its share relative to other states. The programs are listed in descending order of dollar amounts awarded in fiscal 1981 (or the first year of program operation). Awards in the "first" year are compared to those in the "last" year--the latest fiscal year for which state-by-state allocations are available from government agencies; years range from fiscal 1987 to fiscal 1990. Table 2 presents similar information in 1982 (real) dollars. It shows that Rhode Island suffered a 5.5 percent loss, from $432.9 million to $409.0 million, while nationally the buying power of grants declined 4.6 percent.

The state's receipts fell in real dollars for about two-thirds of the grant programs. Rhode Island registered some gains in: Medicaid; Highway Planning and Construction: Interstate Substitution; the Interstate 4R program; Aid to Families with Dependent Children; and the Educationally Deprived Children program. These increases offset losses in other programs, especially in Interstate Construction, Construction Grants for Wastewater Treatment, and Community Development Block Grants for large cities. Rhode Island's share of funding rose in several programs: Interstate Substitution, Water and Waste Disposal, and Construction Grants for Wastewater Treatment. The state also benefited from large increases nationally in programs such as Medicaid and Aid to Families with Dependent Children.

Programs Gaining the Most in Funding for Rhode Island

		Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1.	Medicaid	-0.01	80.88	40.15
2.	Interstate Substitution	6.63	44.47	33.10
3.	Interstate 4R	0.00	8.82	6.12
4.	AFDC	-0.13	5.61	5.71
5.	Ed. Deprived Children	0.03	5.23	1.82

Programs Losing the Most in Funding for Rhode Island

		Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1.	Interstate Construction	-0.59	-30.11	-33.22
2.	Const. Grants (wastewater)	0.19	-6.47	-10.18
3.	CDBG: Large Cities	0.01	-3.45	-6.09
4.	JTPA IIA	-0.17	-3.34	-3.68
5.	LIHEAP	0.001	-2.57	-5.23

Programs in which Rhode Island's Share Increased the Most

		Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
		(in percent)				
1.	Interstate Sub.	2.93	9.56	6.63	226.41	44.47
2.	Water & Waste Disp.	0.16	0.39	0.24	150.38	0.09
3.	Const. Grants	0.50	0.69	0.19	38.41	-6.47
4.	Refugee Assistance	0.44	0.60	0.16	36.10	0.14
5.	Foster Care	0.30	0.41	0.11	37.20	2.03

Programs in which Rhode Island's Share Decreased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. Interstate Const.	1.17	0.57	-0.59	-50.95	-30.11
2. UMTA: Small Cities	0.66	0.27	-0.39	-58.82	-0.64
3. Bridge Rep./Reh.	0.61	0.25	-0.36	-58.83	-2.20
4. Comm. Ser. Block Grant	0.90	0.61	-0.29	-32.42	1.19
5. Airport Imp: Primary	0.40	0.13	-0.27	-66.87	0.29

With politicians reluctant to consider tax increases or entitlement and military reductions, competition for domestic discretionary program funds--social and economic development initiatives of interest to states and communities--has become fierce. Recent decisions made by Congress and the administration--bailing out insolvent savings and loan institutions, cleaning up the Department of Energy's nuclear facilities, promoting NASA's $30-billion space station, and building the superconducting supercollider--will divert many of these scarce federal dollars away from Rhode Island and toward states in the South and West. Rhode Island taxpayers, for example, will pay an estimated $110 million for the 1988 savings and loan bail-out actions, although none of the state's institutions failed.

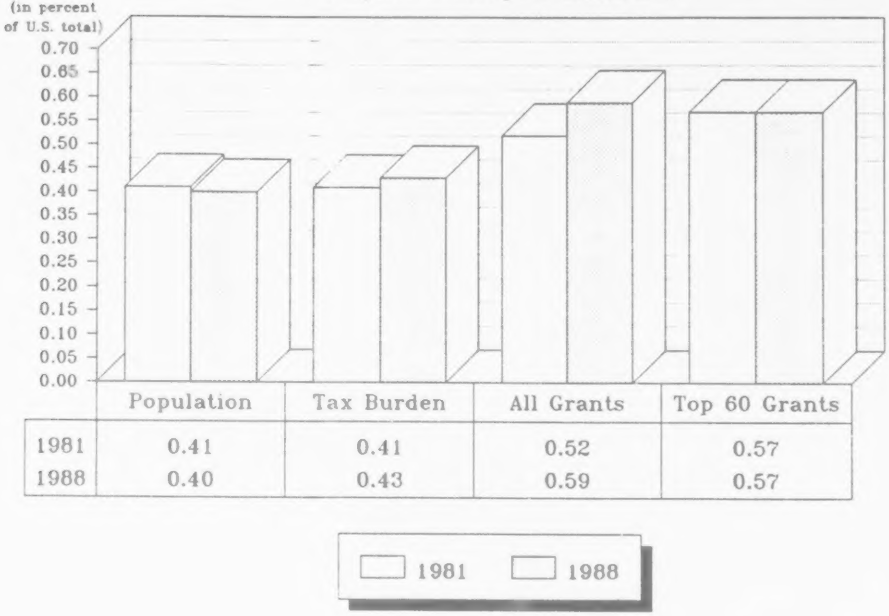
Two factors will continue to affect Rhode Island's receipt of grant program funds: increases or cuts in overall appropriations, and gains or losses in the state's share of total funds allocated. The 1990 census may well hurt Rhode Island on both of these factors. The Northeast-Midwest region probably will lose 14 seats in the House of Representatives. This loss of political influence will diminish the ability of members from these states to set funding priorities and to defend programs of particular benefit to the region from spending cuts.

In addition, funds for 39 of the 60 major grant programs studied are allocated in part on the basis of population. Some formulas consider the entire population while others target specific sectors, such as school-age children, older Americans, the unemployed, or those living in poverty. In some cases, grant programs use annual population estimates to adjust the allocations. In those cases, estimated population losses account for some of the observed decline in Rhode Island's share of funding for these programs. Twenty major programs, however, use decennial census population factors in their formulas. Because Rhode Island has not kept pace with the national growth in population, falling from 0.41 percent in 1981 to an estimated 0.40 percent by 1990, the state can expect that use of the 1990 census numbers, starting in 1992, will reduce its receipt of funds.

Many grant formulas work against the interests of Rhode Island and other states in the Northeast-Midwest region by underestimating the need for federal assistance, overestimating fiscal (tax-raising) capacity, and underestimating the costs of service responsibilities. For lawmakers interested in promoting more equitable patterns of funding, many opportunities exist to target federal grants more precisely to the people and places in greatest need. Many grant formulas were fashioned years ago when Congress was less concerned with budget deficits. As a result, formulas frequently contain crude and inaccurate factors approximating states' needs and their ability to meet those needs. Congress can correct these distortions when it reauthorizes the grant programs.

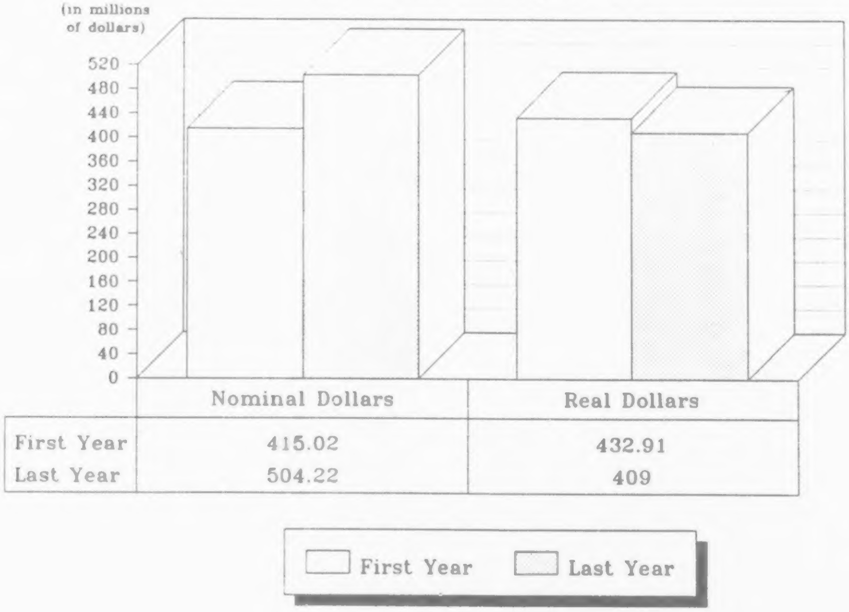
Rhode Island

Figure 1. State Population and Tax Burden Compared to Receipt of Grant Funds



	Population	Tax Burden	All Grants	Top 60 Grants
1981	0.41	0.41	0.52	0.57
1988	0.40	0.43	0.59	0.57

Figure 2. Total State Federal Funding for 60 Largest Grants



	Nominal Dollars	Real Dollars
First Year	415.02	432.91
Last Year	504.22	409

Table 1

Total Awards, Rhode Island's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Medicaid	17,382.07	30,396.40	0.64	0.63	-0.01	-0.93	110.41	191.29	80.88
AFDC	6,938.72	9,987.67	0.62	0.49	-0.13	-21.52	43.27	48.88	5.61
General Revenue	5,133.68	--	0.44	0.00	-0.44	-100.00	22.65	0.00	-22.65
Const. Grants	3,833.59	1,833.00	0.50	0.69	0.19	38.41	19.13	12.66	-6.47
Interstate Const.	3,768.10	2,421.50	1.17	0.57	-0.59	-50.95	43.97	13.86	-30.11
Ed. Depr. Child	2,950.50	4,138.90	0.35	0.38	0.03	7.17	10.39	15.62	5.23
CDBG: Large	2,604.66	1,920.62	0.52	0.53	0.01	1.39	13.67	10.22	-3.45
S.S. Block Grnt	2,489.62	2,684.53	0.48	0.40	-0.08	-16.25	11.97	10.81	-1.16
School Lunch	2,294.74	2,686.53	0.35	0.27	-0.08	-23.65	8.01	7.16	-0.85
JTPA II-A	1,820.77	1,705.52	0.43	0.26	-0.17	-38.96	7.80	4.46	-3.34
LIHEAP	1,744.17	1,381.09	0.69	0.69	0.00	-0.51	12.11	9.54	-2.57
Primary System	1,620.38	2,274.79	0.50	0.50	0.00	-0.89	8.15	11.34	3.19
UMTA: Large	1,283.77	1,433.00	0.63	0.63	0.01	0.83	8.05	9.06	1.01
Bridge Rep. Reh.	925.14	1,368.91	0.61	0.25	-0.36	-58.83	5.63	3.43	-2.20
WIC	905.87	1,703.44	0.63	0.45	-0.18	-28.94	5.71	7.63	-1.92
Food Dist.: Child	901.14	873.51	0.32	0.26	-0.06	-18.97	2.89	2.27	-0.62
CDBG: Small	880.85	798.65	0.47	0.43	-0.04	-7.64	4.12	3.45	-0.67
Ed. of Hand	856.61	1,387.90	0.41	0.45	0.05	11.56	3.48	6.29	2.81
Rehab. services	833.41	1,251.79	0.44	0.40	-0.04	-8.48	3.63	4.99	1.36
Interstate 4R	780.06	2,532.12	0.50	0.50	0.00	0.48	3.90	12.72	8.82
JTPA IIB	777.29	673.89	0.54	0.32	-0.22	-39.99	4.19	2.18	-2.01
Urban System	772.60	722.51	0.55	0.51	-0.04	-7.91	4.25	3.66	-0.59
Emp. Ser. Admin	718.09	737.51	0.42	0.36	-0.06	-13.99	3.00	2.65	-0.35
UnEm Ins	686.61	1,407.97	0.79	0.62	-0.16	-20.62	5.40	8.79	3.39
Head Start	684.58	1,059.52	0.38	0.36	-0.01	-3.58	2.58	3.85	1.27
Voc Ed	672.99	793.16	0.44	0.51	0.07	16.20	2.95	4.04	1.09
School Assist	622.66	639.08	0.41	0.44	0.03	8.21	2.53	2.81	0.28
Rural Secondary	580.50	581.08	0.50	0.50	0.00	-0.10	2.93	2.93	0.00
Improv School P	437.72	464.75	0.51	0.51	0.00	0.10	2.23	2.37	0.14
Alco,Drug, MH	420.18	478.52	0.95	0.92	-0.03	-2.97	4.00	4.42	0.42
Child Support Enf	393.13	741.65	0.30	0.34	0.03	10.91	1.19	2.49	1.30

Table 1

Total Awards, Rhode Island's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Refugee Assist	363.43	290.26	0.44	0.60	0.16	36.10	1.61	1.75	0.14
UDAG	356.22	188.19	0.07	0.01	-0.06	-92.43	0.25	0.01	-0.24
Maternal Child Healt	350.26	448.30	0.33	0.33	0.00	0.06	1.14	1.46	0.32
Win	347.90	91.80	0.59	0.58	-0.01	-1.54	2.04	0.53	-1.51
Older Am: Nutr	341.97	426.53	0.51	0.53	0.02	4.46	1.75	2.28	0.53
School Break	315.06	427.16	0.22	0.19	-0.03	-15.71	0.70	0.80	0.10
Foster care	308.75	716.25	0.30	0.41	0.11	37.20	0.93	2.96	2.03
Child Care Food	292.02	479.03	0.42	0.28	-0.15	-35.11	1.24	1.32	0.08
Senior Com. Ser	271.93	324.51	0.54	0.53	-0.01	-1.28	1.46	1.72	0.26
Interstate Sub	256.20	543.89	2.93	9.56	6.63	226.41	7.50	51.97	44.47
Migrant Ed	256.05	258.46	0.01	0.05	0.04	543.94	0.02	0.13	0.11
Older Am Support	246.04	271.30	0.51	0.53	0.02	4.36	1.26	1.45	0.19
Schools & Roads	231.29	317.97	0.00	0.00	0.00	--	0.00	0.00	0.00
Airport Imp: P	219.74	881.76	0.40	0.13	-0.27	-66.87	0.88	1.17	0.29
Rail Highway	185.36	155.76	0.30	0.29	-0.01	-2.63	0.55	0.45	-0.10
Wap	174.98	157.88	0.63	0.62	-0.01	-2.15	1.11	0.98	-0.13
Wat&Waste Disp	172.14	91.67	0.16	0.39	0.24	150.38	0.27	0.36	0.09
Dislocated Wor	163.40	219.25	0.41	0.14	-0.27	-66.63	0.67	0.30	-0.37
State &Com. High	162.31	102.51	0.52	0.52	0.00	-0.10	0.84	0.53	-0.31
Child Welfare	157.67	232.34	0.44	0.39	-0.05	-11.78	0.70	0.91	0.21
UMTA: Small	155.09	142.59	0.66	0.27	-0.39	-58.82	1.03	0.39	-0.64
Ed of Handi Child	144.08	149.80	0.35	0.39	0.03	9.38	0.51	0.58	0.07
Hazard Elim	143.54	163.11	0.52	0.51	-0.01	-1.30	0.74	0.83	0.09
Comm. Ser BG	130.10	388.29	0.90	0.61	-0.29	-32.42	1.17	2.36	1.19
Summer Food Child	101.98	110.14	0.66	0.63	-0.03	-4.64	0.67	0.69	0.02
Adult Ed	97.22	111.98	0.64	0.64	0.01	0.82	0.62	0.72	0.10
Ag. Exper. Stat	91.58	107.53	0.69	0.66	-0.03	-4.02	0.63	0.71	0.08
Food Dist: Elderly	85.74	129.93	0.55	0.50	-0.05	-8.74	0.47	0.65	0.18
Airport Impr:S	32.22	149.57	0.22	0.23	0.01	4.63	0.07	0.34	0.27
Total/Weighted Avg.	**72,868.47**	**89,157.27**	**0.57**	**0.57**	**0.00**	**-0.70**	**415.02**	**504.22**	**89.20**

Table 2

Total Awards, Rhode Island's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real (1982) Dollars

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Medicaid	18,424.99	24,976.50	117.03	157.18	35.56	34.30
AFDC	7,355.04	8,206.80	45.87	40.16	11.58	-12.43
General Revenue	5,441.70	--	24.01	--	--	--
Const. Grants	4,063.61	1,461.72	20.28	10.10	-64.03	-50.21
Interstate Const.	3,768.10	1,878.59	43.97	10.75	-50.14	-75.55
Ed. Depr. Child	3,127.53	3,400.90	11.01	12.83	8.74	16.54
CDBG: Large	2,760.94	1,578.16	14.49	8.40	-42.84	-42.05
S.S. Block Grnt	2,396.17	2,140.77	11.52	8.62	-10.66	-25.17
School Lunch	2,432.42	2,282.52	8.49	6.08	-6.16	-28.35
JTPA II-A	1,690.59	1,360.06	7.24	3.56	-19.55	-50.89
LIHEAP	1,848.82	1,101.35	12.84	7.61	-40.43	-40.73
Primary System	1,717.60	1,814.03	8.64	9.04	5.61	4.68
UMTA: Large	1,360.80	1,142.74	8.53	7.22	-16.02	-15.33
Bridge Rep. Reh.	980.65	1,091.63	5.97	2.74	11.32	-54.17
WIC	960.22	1,399.70	6.05	6.27	45.77	3.58
Food Dist.: Child	955.21	742.15	3.06	1.93	-22.30	-37.04
CDBG: Small	933.70	656.24	4.37	2.83	-29.72	-35.09
Ed. of Hand	908.01	1,106.78	3.69	5.02	21.89	35.98
Rehab. services	883.41	1,063.54	3.85	4.24	20.39	10.18
Interstate 4R	750.78	1,964.41	3.75	9.87	161.65	162.90
JTPA IIB	823.93	553.73	4.44	1.79	-32.79	-59.67
Urban System	818.96	576.16	4.51	2.92	-29.65	-35.21
Emp. Ser. Admin	666.75	588.13	2.79	2.11	-11.79	-24.13
UnEm Ins	727.81	1,122.78	5.72	7.01	54.27	22.46
Head Start	725.65	844.91	2.73	3.07	16.43	12.26
Voc Ed	713.37	651.73	3.13	3.32	-8.64	6.16
School Assist	660.02	525.13	2.68	2.31	-20.44	-13.90
Rural Secondary	615.33	463.38	3.11	2.34	-24.69	-24.77
Improv School P	421.29	381.88	2.15	1.95	-9.35	-9.27
Alco.Drug, MH	420.18	393.20	4.00	3.63	-6.42	-9.20
Child Support Enf	416.72	630.12	1.26	2.12	51.21	67.71
Refugee Assist	385.24	238.50	1.71	1.44	-38.09	-15.74
UDAG	377.59	154.63	0.27	0.01	-59.05	-96.90
Maternal Child Healt	371.28	357.50	1.21	1.16	-3.71	-3.65
Win	368.77	75.43	2.16	0.44	-79.55	-79.86
Older Am: Nutr	362.49	340.14	1.86	1.82	-6.17	-1.98
School Break	333.96	362.92	0.74	0.68	8.67	-8.40
Foster care	327.28	608.54	0.99	2.51	85.94	155.11
Child Care Food	309.54	406.99	1.31	1.12	31.48	-14.68
Senior Com. Ser	288.25	266.65	1.55	1.41	-7.49	-8.68
Interstate Sub	246.58	421.95	7.22	40.32	71.12	458.54
Migrant Ed	271.41	212.37	0.02	0.11	-21.75	403.87
Older Am Support	260.80	216.35	1.34	1.16	-17.05	-13.42

Table 2

Total Awards, Rhode Island's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real (1982) Dollars (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Schools & Roads	245.17	261.27	0.00	0.00	6.57	0.00
Airport Imp: P	219.74	724.54	0.88	0.96	229.72	9.25
Rail Highway	196.48	124.21	0.58	0.36	-36.78	-38.45
Wap	185.48	129.73	1.18	0.81	-30.06	-31.56
Wat&Waste Disp	182.47	75.32	0.29	0.30	-58.72	3.36
Dislocated Wor	151.72	174.84	0.62	0.24	15.24	-61.54
State &Com. High	172.05	84.23	0.89	0.44	-51.04	-51.09
Child Welfare	167.13	190.91	0.74	0.75	14.23	0.77
UMTA: Small	164.40	113.71	1.09	0.31	-30.83	-71.51
Ed of Handi Child	152.72	123.09	0.54	0.48	-19.40	-11.84
Hazard Elim	152.15	130.07	0.78	0.66	-14.51	-15.62
Comm. Ser BG	130.10	319.06	1.17	1.94	145.24	65.74
Summer Food Child	108.10	93.58	0.71	0.59	-13.43	-17.45
Adult Ed	103.05	89.30	0.66	0.57	-13.35	-12.64
Ag. Exper. Stat	97.07	88.36	0.67	0.58	-8.98	-12.64
Food Dist: Elderly	90.88	110.39	0.50	0.55	21.46	10.85
Airport Impr:S	34.15	122.90	0.07	0.28	259.85	276.52
Total/Weighted Avg.	76,226.36	72,717.24	432.91	409.00	-4.60	-5.52

Federal Grant Program Spending:

Vermont

1981 - 1988

Diane DeVaul

Northeast-Midwest Institute
The Center for Regional Policy
218 D Street, S.E.
Washington, D.C. 20003

October 1989

Grants-in-aid to state and local governments constitute one of the four major federal spending categories. (The other three are procurement, salaries and wages, and direct payments to individuals.) Vermont's share of the total amount of grants to state and local governments fell from 0.30 percent to 0.29 percent between fiscal 1981 and fiscal 1988. Two criteria often are used to compare states' performance in receipt of grant funds: relative tax burden and population. Vermont's tax burden--its payment of federal revenues--increased from 0.18 to 0.20 during this period, while its population remained stable at 0.22. Figure 1 compares Vermont's population and tax burden to its receipt of grants in all federal programs and the 60 largest programs.

A recent report published by the Northeast-Midwest Institute, Federal Funding Formulas and State Allocations: What Share for the Northeast and Midwest? examines 56 programs that awarded grants over $100 million in fiscal 1981, plus four others that reached $100 million by fiscal 1988. Grants to Vermont in these programs increased in nominal dollars from $245.8 million (0.34 percent of the total) to $273.1 million (0.31 percent) during the period studied. Table 1 presents the amount Vermont received in these 60 programs and its share relative to other states. The programs are listed in descending order of dollar amounts awarded in fiscal 1981 (or the first year of program operation). Awards in the "first" year are compared to those in the "last" year--the latest fiscal year for which state-by-state allocations are available from government agencies; years range from fiscal 1987 to fiscal 1990. Table 2 presents similar information in 1982 (real) dollars. It shows that Vermont suffered a 13.7 percent loss, from $257.0 million to $221.9 million, while nationally the buying power of grants decreased by 4.6 percent.

The state's receipts fell in real dollars for about two-thirds of the grant programs. Vermont registered some gains in Medicaid; Highway Planning and Construction: Interstate 4R; Educationally Deprived Children; Airport Improvements; and Foster Care. These increases offset losses in other programs, especially in Interstate Construction, Construction Grants for Wastewater Treatment, Bridge Replacement and Rehabilitation, and the Low-Income Home Energy Assistance Program. Vermont's overall level of grant receipts might have fallen even more if its share of funding had not risen in several programs: Foster Care, Urban Mass Transportation Assistance for small urban areas, and Vocational Education. The state also benefited from large increases nationally in programs such as Medicaid and Aid to Families with Dependent Children.

Programs Gaining the Most in Funding for Vermont

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Medicaid	-0.05	25.48	7.87
2. Interstate 4R	-0.01	8.83	6.10
3. Ed. Deprived Children	0.07	5.19	2.80
4. Airport Improvement: Primary	0.00	3.19	0.40
5. Foster Care	0.29	2.94	2.36

Programs Losing the Most in Funding for Vermont

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Interstate Construction	0.07	-4.89	-8.00
2. Const. Grants (wastewater)	0.17	-3.65	-6.30
3. Bridge Repl./Rehab.	-0.58	-2.99	-5.11
4. LIHEAP	0.00	-2.21	-4.51
5. WIN	0.02	-1.86	-2.13

Programs in which Vermont's Share Increased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. Foster Care	0.22	0.50	0.29	132.26	2.94
2. UMTA: Small Cities	0.00	0.27	0.27	N.A.	0.39
3. Voc. Education	0.27	0.50	0.24	89.13	2.20
4. Ed. Handi. Children	0.89	1.07	0.18	20.23	0.32
5. Const. Grants	0.34	0.51	0.17	50.01	-3.65

Programs Gaining the Most in Funding for Vermont

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Medicaid	-0.05	25.48	7.87
2. Interstate 4R	-0.01	8.83	6.10
3. Ed. Deprived Children	0.07	5.19	2.80
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Programs Losing the Most in Funding for Vermont

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Interstate Construction	0.07	-4.89	-8.00
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4. LIHEAP	0.20	-2.21	-4.51
5. WIN	0.02	-1.86	-2.13

Programs in which Vermont's Share Increased the Most

	Share First Year (in percent)	Share Last Year (in percent)	Difference (in percent)	Change (in percent)	Difference in Millions of Nominal Dollars
1. Foster Care	0.22	0.50	0.29	132.26	2.94
2. UMTA: Small Cities	0.00	0.27	0.27	N.A.	0.39
3. Voc. Education	0.27	0.50	0.24	89.13	2.20
4. Ed. Handi. Children	0.89	1.07	0.18	20.23	0.32
5. Const. Grants	0.34	0.51	0.17	50.01	-3.65

Programs in which Vermont's Share Decreased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. Bridge Repl./Rehab.	1.12	0.54	-0.58	-51.89	-2.99
2. WIC	0.79	0.40	-0.40	-49.92	-0.42
3. Comm. Serv. Block Grant	0.44	0.31	-0.13	-30.05	0.62
4. AFDC	0.39	0.28	-0.10	-27.06	1.34
5. UDAG	0.51	0.43	-0.08	-16.22	-1.02

With politicians reluctant to consider tax increases or entitlement and military reductions, competition for domestic discretionary program funds--social and economic development initiatives of interest to states and communities--has become fierce. Recent decisions made by Congress and the administration--bailing out insolvent savings and loan institutions, cleaning up the Department of Energy's nuclear facilities, promoting NASA's $30-billion space station, and building the superconducting supercollider--will divert many of these scarce federal dollars away from Vermont and toward states in the South and West. Vermont taxpayers, for example, will pay an estimated $52 million for the 1988 savings and loan bail-out actions, although none of the state's institutions failed.

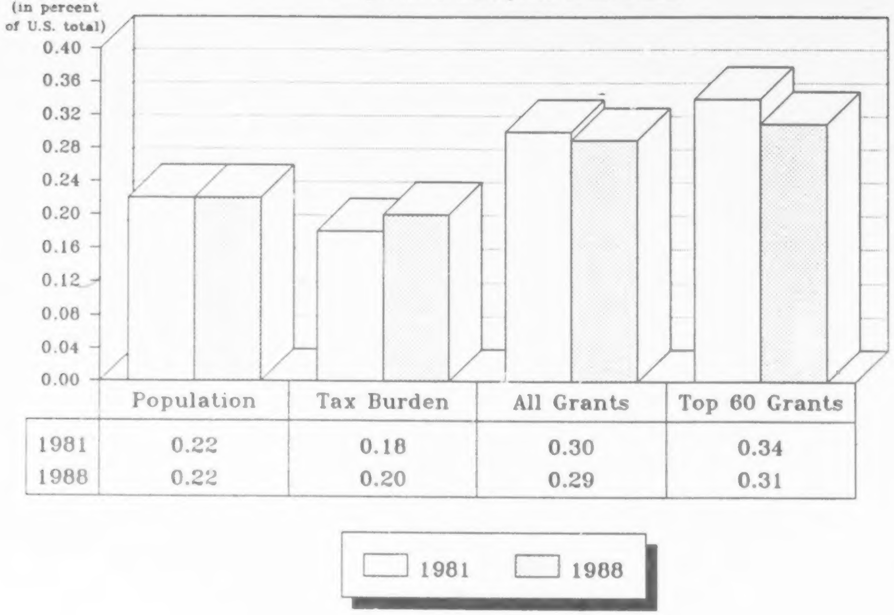
Two factors will continue to affect Vermont's receipt of grant program funds: increases or cuts in overall appropriations, and gains or losses in the state's share of total funds allocated. The 1990 census may well hurt Vermont on both of these factors. The Northeast-Midwest region probably will lose 14 seats in the House of Representatives. This loss of political influence will diminish the ability of members from these states to set funding priorities and defend programs of particular benefit to the region from spending cuts.

Many grant formulas work against the interests of Vermont and other states in the Northeast-Midwest region by underestimating the need for federal assistance, overestimating fiscal (tax-raising) capacity, and underestimating the costs of service responsibilities. For lawmakers interested in promoting more equitable patterns of funding, many opportunities exist to target federal grants more precisely to the people and places in greatest need. Many grant formulas were fashioned years ago when Congress was less concerned with budget deficits. As a result, formulas frequently contain crude and inaccurate factors approximating states' needs and their ability to meet those needs. Congress can correct these distortions when it reauthorizes the grant programs.

Many grant formulas work against the interests of Vermont and other states in the Northeast-Midwest region by underestimating the need for federal assistance, overestimating fiscal (tax-raising) capacity, and underestimating the costs of service responsibilities. For lawmakers interested in promoting more equitable patterns of funding, many opportunities exist to target federal grants more precisely to the people and places in greatest need. Many grant formulas were fashioned years ago when Congress was less concerned with budget deficits. As a result, formulas frequently contain crude and inaccurate factors approximating states' needs and their ability to meet those needs. Congress can correct these distortions when it reauthorizes the grant programs.

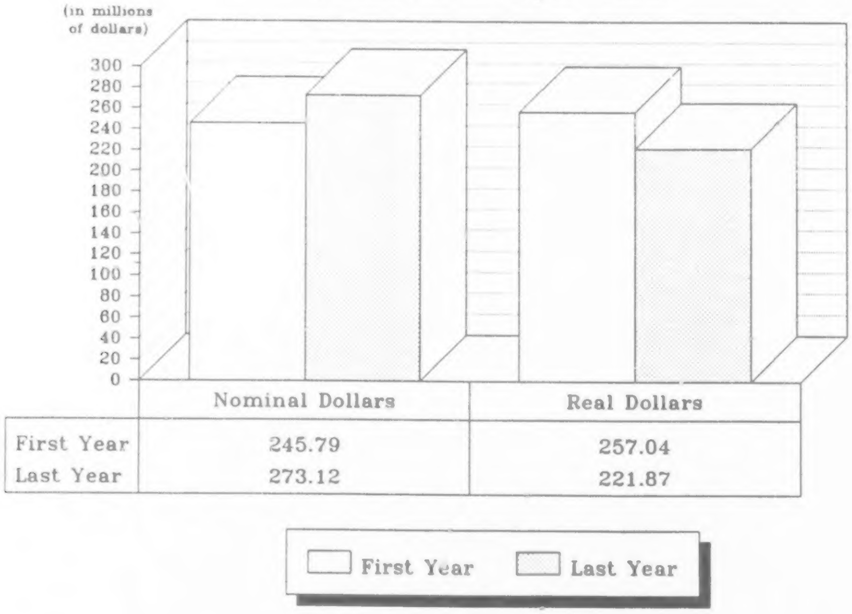
Vermont

Figure 1. State Population and Tax Burden Compared to Receipt of Grant Funds



	Population	Tax Burden	All Grants	Top 60 Grants
1981	0.22	0.18	0.30	0.34
1988	0.22	0.20	0.29	0.31

Figure 2. Total State Federal Funding for 60 Largest Grants



	Nominal Dollars	Real Dollars
First Year	245.79	257.04
Last Year	273.12	221.87

Table 1

Total Awards, Vermont's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Medicaid	17,382.07	30,396.40	0.32	0.26	-0.05	-16.25	54.84	80.32	25.48
AFDC	6,938.72	9,987.67	0.39	0.28	-0.10	-27.06	26.87	28.21	1.34
General Revenue	5,133.68	--	0.30	0.00	-0.30	-100.00	15.52	0.00	-15.52
Const. Grants	3,833.59	1,833.00	0.34	0.51	0.17	50.01	12.91	9.26	-3.65
Interstate Const.	3,768.10	2,421.50	0.50	0.57	0.07	15.03	18.75	13.86	-4.89
Ed. Depr. Child	2,950.50	4,138.90	0.21	0.27	0.07	31.35	6.16	11.35	5.19
CDBG: Large	2,604.66	1,920.62	0.00	0.03	0.03	--	0.00	0.66	0.66
S.S. Block Grnt	2,489.62	2,684.53	0.23	0.22	-0.01	-2.75	5.76	6.04	0.28
School Lunch	2,294.74	2,686.53	0.20	0.15	-0.06	-28.30	4.67	3.92	-0.75
JTPA II-A	1,820.77	1,705.52	0.26	0.26	0.00	1.31	4.70	4.46	-0.24
LIHEAP	1,744.17	1,381.09	0.60	0.60	0.00	-0.44	10.44	8.23	-2.21
Primary System	1,620.38	2,274.79	0.50	0.50	0.00	-0.89	8.15	11.34	3.19
UMTA: Large	1,283.77	1,433.00	0.00	0.00	0.00	--	0.00	0.00	0.00
Bridge Rep. Reh.	925.14	1,368.91	1.12	0.54	-0.58	-51.89	10.38	7.39	-2.99
WIC	905.87	1,703.44	0.79	0.40	-0.40	-49.92	7.20	6.78	-0.42
Food Dist.: Child	901.14	873.51	0.22	0.16	-0.06	-26.84	1.96	1.39	-0.57
CDBG: Small	880.85	798.65	0.55	0.60	0.04	7.81	4.88	4.77	-0.11
Ed. of Hand	856.61	1,387.90	0.27	0.23	-0.04	-15.47	2.30	3.15	0.85
Rehab. services	833.41	1,251.79	0.36	0.34	-0.02	-5.02	3.00	4.28	1.28
Interstate 4R	780.06	2,532.12	0.52	0.51	-0.01	-1.69	4.03	12.86	8.83
JTPA IIB	777.29	673.89	0.23	0.26	0.03	14.69	1.77	1.76	-0.01
Urban System	772.60	722.51	0.50	0.51	0.00	0.35	3.90	3.66	-0.24
Emp. Ser. Admin	718.09	737.51	0.33	0.33	0.00	0.24	2.37	2.44	0.07
UnEm Ins	686.61	1,407.97	0.26	0.30	0.04	15.24	1.79	4.23	2.44
Head Start	684.58	1,059.52	0.23	0.23	0.01	2.30	1.56	2.47	0.91
Voc Ed	672.99	793.16	0.27	0.50	0.24	89.13	1.79	3.99	2.20
School Assist	622.66	639.08	0.03	0.00	-0.03	-94.27	0.17	0.01	-0.16
Rural Secondary	580.50	581.08	0.50	0.50	0.00	-0.10	2.93	2.93	0.00
Improv School P	437.72	464.75	0.51	0.51	0.00	0.10	2.23	2.37	0.14
Alco,Drug, MH	420.18	478.52	0.69	0.69	0.00	-0.12	2.91	3.31	0.40
Child Support Enf	393.13	741.65	0.17	0.19	0.02	9.18	0.67	1.38	0.71

Table 1

Total Awards, Vermont's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Refugee Assist	363.43	290.26	0.08	0.18	0.11	137.00	0.28	0.53	0.25
UDAG	356.22	188.19	0.51	0.43	-0.08	-16.22	1.83	0.81	-1.02
Maternal Child Healt	350.26	448.30	0.37	0.36	-0.02	-4.57	1.31	1.60	0.29
Win	347.90	91.80	0.73	0.75	0.02	2.55	2.55	0.69	-1.86
Older Am: Nutr	341.97	426.53	0.51	0.51	0.01	1.49	1.73	2.19	0.46
School Break	315.06	427.16	0.05	0.03	-0.02	-40.07	0.16	0.13	-0.03
Foster care	308.75	716.25	0.22	0.50	0.29	132.26	0.67	3.61	2.94
Child Care Food	292.02	479.03	0.14	0.24	0.10	73.74	0.40	1.14	0.74
Senior Com. Ser	271.93	324.51	0.56	0.55	-0.01	-1.22	1.51	1.78	0.27
Interstate Sub	256.20	543.89	0.00	0.00	0.00	--	0.00	0.00	0.00
Migrant Ed	256.05	258.46	0.11	0.25	0.13	118.63	0.29	0.64	0.35
Older Am Support	246.04	271.30	0.51	0.51	0.00	0.85	1.25	1.39	0.14
Schools & Roads	231.29	317.97	0.04	0.04	0.00	-5.44	0.10	0.13	0.03
Airport Imp: P	219.74	881.76	0.23	0.21	-0.02	-8.62	0.51	1.87	1.36
Rail Highway	185.36	155.76	0.39	0.39	0.00	0.82	0.72	0.61	-0.11
Wap	174.98	157.88	0.78	0.70	-0.08	-10.36	1.36	1.10	-0.26
Wat&Waste Disp	172.14	91.67	0.47	0.53	0.06	13.60	0.81	0.49	-0.32
Dislocated Wor	163.40	219.25	0.14	0.08	-0.06	-41.67	0.23	0.18	-0.05
State &Com. High	162.31	102.51	0.52	0.52	0.00	-0.10	0.84	0.53	-0.31
Child Welfare	157.67	232.34	0.30	0.28	-0.02	-6.15	0.47	0.65	0.18
UMTA: Small	155.09	142.59	0.00	0.27	0.27	--	0.00	0.39	0.39
Ed of Handi Child	144.08	149.80	0.89	1.07	0.18	20.23	1.28	1.60	0.32
Hazard Elim	143.54	163.11	0.52	0.51	-0.01	-1.30	0.74	0.83	0.09
Comm. Ser BG	130.10	388.29	0.44	0.31	-0.13	-30.05	0.57	1.19	0.62
Summer Food Child	101.98	110.14	0.03	0.04	0.01	23.45	0.03	0.04	0.01
Adult Ed	97.22	111.98	0.33	0.39	0.06	19.38	0.32	0.44	0.12
Ag. Exper. Stat	91.58	107.53	0.88	0.87	-0.01	-1.16	0.81	0.94	0.13
Food Dist: Elderly	85.74	129.93	0.38	0.34	-0.05	-12.01	0.33	0.44	0.11
Airport Impr:S	32.22	149.57	0.25	0.24	-0.01	-3.06	0.08	0.36	0.28
Total/Weighted Avg.	72,868.47	89,157.27	0.34	0.31	-0.03	-9.18	245.79	273.12	27.33

Table 2
Total Awards, Vermont's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real Dollars

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Medicaid	18,424.99	24,976.50	58.13	66.00	35.56	13.54
AFDC	7,355.04	8,206.80	28.48	23.18	11.58	-18.62
General Revenue	5,441.70	--	16.45	--	--	--
Const. Grants	4,063.61	1,461.72	13.68	7.38	-64.03	-46.04
Interstate Const.	3,768.10	1,878.59	18.75	10.75	-50.14	-42.65
Ed. Depr. Child	3,127.53	3,400.90	6.53	9.33	8.74	42.83
CDBG: Large	2,760.94	1,578.16	0.00	0.54	-42.84	--
S.S. Block Grnt	2,396.17	2,140.77	5.54	4.82	-10.66	-13.12
School Lunch	2,432.42	2,282.52	4.95	3.33	-6.16	-32.72
JTPA II-A	1,690.59	1,360.06	4.36	3.56	-19.55	-18.50
LIHEAP	1,848.82	1,101.35	11.07	6.56	-40.43	-40.69
Primary System	1,717.60	1,814.03	8.64	9.04	5.61	4.68
UMTA: Large	1,360.80	1,142.74	0.00	0.00	-16.02	--
Bridge Rep. Reh.	980.65	1,091.63	11.00	5.89	11.32	-46.44
WIC	960.22	1,399.70	7.63	5.57	45.77	-27.00
Food Dist.: Child	955.21	742.15	2.08	1.18	-22.30	-43.16
CDBG: Small	933.70	656.24	5.17	3.92	-29.72	-24.23
Ed. of Hand	908.01	1,106.78	2.44	2.51	21.89	3.03
Rehab. services	883.41	1,063.54	3.18	3.64	20.39	14.35
Interstate 4R	750.78	1,964.41	3.88	9.98	161.65	157.22
JTPA IIB	823.93	553.73	1.88	1.45	-32.79	-22.92
Urban System	818.96	576.16	4.13	2.92	-29.65	-29.40
Emp. Ser. Admin	666.75	588.13	2.20	1.95	-11.79	-11.58
UnEm Ins	727.81	1,122.78	1.90	3.37	54.27	77.78
Head Start	725.65	844.91	1.65	1.97	16.43	19.12
Voc Ed	713.37	651.73	1.90	3.28	-8.64	72.79
School Assist	660.02	525.13	0.18	0.01	-20.44	-95.44
Rural Secondary	615.33	463.38	3.11	2.34	-24.69	-24.77
Improv School P	421.29	381.88	2.15	1.95	-9.35	-9.27
Alco.Drug. MH	420.18	393.20	2.91	2.72	-6.42	-6.54
Child Support Enf	416.72	630.12	0.71	1.17	51.21	65.09
Refugee Assist	385.24	238.50	0.30	0.44	-38.09	46.73
UDAG	377.59	154.63	1.94	0.67	-59.05	-65.69
Maternal Child Healt	371.28	357.50	1.39	1.28	-3.71	-8.11
Win	368.77	75.43	2.70	0.57	-79.55	-79.02
Older Am: Nutr	362.49	340.14	1.83	1.75	-6.17	-4.77
School Break	333.96	362.92	0.17	0.11	8.67	-34.88
Foster care	327.28	608.54	0.71	3.07	85.94	331.87
Child Care Food	309.54	406.99	0.42	0.97	31.48	128.43
Senior Com. Ser	288.25	266.65	1.60	1.46	-7.49	-8.62
Interstate Sub	246.58	421.95	0.00	0.00	71.12	--
Migrant Ed	271.41	212.37	0.31	0.53	-21.75	71.07
Older Am Support	260.80	216.35	1.33	1.11	-17.05	-16.34

Table 2

Total Awards, Vermont's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real Dollars (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Schools & Roads	245.17	261.27	0.11	0.11	6.57	0.00
Airport Imp: P	219.74	724.54	0.51	1.54	229.72	201.29
Rail Highway	196.48	124.21	0.76	0.49	-36.78	-36.26
Wap	185.48	129.73	1.44	0.90	-30.06	-37.30
Wat&Waste Disp	182.47	75.32	0.86	0.40	-58.72	-53.11
Dislocated Wor	151.72	174.84	0.21	0.14	15.24	-32.79
State &Com. High	172.05	84.23	0.89	0.44	-51.04	-51.09
Child Welfare	167.13	190.91	0.50	0.53	14.23	7.21
UMTA: Small	164.40	113.71	0.00	0.31	-30.83	--
Ed of Handi Child	152.72	123.09	1.36	1.31	-19.40	-3.10
Hazard Elim	152.15	130.07	0.78	0.66	-14.51	-15.62
Comm. Ser BG	130.10	319.06	0.57	0.98	145.24	71.55
Summer Food Child	108.10	93.58	0.03	0.03	-13.43	6.87
Adult Ed	103.05	89.30	0.34	0.35	-13.35	3.44
Ag. Exper. Stat	97.07	88.36	0.86	0.77	-8.98	-10.04
Food Dist: Elderly	90.88	110.39	0.35	0.37	21.46	6.87
Airport Impr:S	34.15	122.90	0.08	0.30	259.85	248.83
Total/Weighted Avg.	76.226.36	72.717.24	257.04	221.87	-4.60	-13.68

Federal Grant Program Spending:

Wisconsin

1981 - 1988

Diane DeVaul

Northeast-Midwest Institute
The Center for Regional Policy
218 D Street, S.E.
Washington, D.C. 20003

October 1989

Grants-in-aid to state and local governments constitute one of the four major federal spending categories. (The other three are procurement, salaries and wages, and direct payments to individuals.) Wisconsin's share of the total amount of federal grants to state and local governments fell from 2.46 percent to 2.03 percent between fiscal 1981 and fiscal 1988. Two criteria often are used to compare states' performance in receipt of grant funds: relative tax burden and population. Wisconsin's tax burden--its payment of federal revenues--fell from 2.03 percent to 1.80 percent during this period, and its population fell from 2.06 to 1.95 of the U.S. total. Figure 1 compares Wisconsin's population and tax burden to its receipt of grants in all federal programs and the 60 largest programs.

A recent report published by the Northeast-Midwest Institute, Federal Funding Formulas and State Allocations: What Share for the Northeast and Midwest? examines 56 programs that awarded grants over $100 million in fiscal 1981, plus four others that reached $100 million by fiscal 1988. Grants to Wisconsin in these programs increased in nominal dollars from $1,716.5 million to $1,861.3 million, but its percentage share fell from 2.36 percent to 2.09 percent of the total during the period studied. Table 1 presents the amount Wisconsin received in these 60 programs and its share relative to other states. The programs are listed in descending order of dollar amounts awarded in fiscal 1981 or the first year of program operation. Awards in the "first" year are compared to those in the "last" year of funding--the latest fiscal year for which state-by-state allocations are available from government agencies; years range from fiscal 1987 to fiscal 1990. Table 2 presents similar information in 1982 (real) dollars. It shows that Wisconsin's funding dropped 15.65 percent, from $1,802.4 million to $1,520.4 million, compared to a 4.6 percent decline for grant programs nationally.

The state's receipts fell in real dollars for about two-thirds of the grant programs. Those that increased in funding include: Medicaid; Aid to Families with Dependent Children; the Interstate 4R program; Unemployment Insurance; and the Educationally Deprived Children program. These increases were not enough to offset losses in other programs, including Construction Grants for Wastewater Treatment, Interstate highway construction. JTPA IIA (economically disadvantaged), Community Development Block Grants for large cities, and Urban Development Action Grants. Wisconsin's share of overall funding went up in several programs, including Urban Mass Transit Assistance for small urban areas, Refugee Assistance, Child Support Enforcement, and School Breakfast programs. The state also benefited from a large increase nationally in the Medicaid program.

Programs Gaining the Most in Funding for Wisconsin

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Medicaid	-0.96	132.01	26.70
2. AFDC	-0.12	85.73	17.71
3. Interstate 4R	-0.15	22.48	15.25
4. Unemployment Insurance	0.13	16.52	9.50
5. Educ. Deprived Children	-0.07	15.45	1.72

Programs Losing the Most in Funding for Wisconsin

	Difference in State's Share First to Last Year (in percent)	Change in Millions of Nominal Dollars	Change in Millions of Real Dollars
1. Const. Grants (wastewater)	0.60	-32.81	-48.17
2. Interstate Construction	-0.27	-17.85	-20.96
3. JTPA IIA	-0.65	-13.90	-16.73
4. CDBG: Large Cities	-0.07	-12.03	-19.66
5. UDAG	-2.44	-9.82	-10.72

Programs in which Wisconsin's Share Increased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. Const. Grants	2.19	2.78	0.60	27.26	-32.81
2. UMTA: Small	3.77	4.13	0.37	9.70	0.05
3. Refugee Assistance	1.39	1.73	0.34	24.71	-0.02
4. Child Supp. Enf.	2.17	2.40	0.23	10.61	9.27
5. School Breakfast	0.37	0.57	0.21	55.78	1.29

Programs in which Wisconsin's Share Decreased the Most

	Share First Year	Share Last Year	Difference	Change	Difference in Millions of Nominal Dollars
	(in percent)				
1. UDAG	3.11	0.67	-2.44	-78.32	-9.82
2. Medicaid	3.26	2.30	-0.96	-29.51	132.01
3. Foster Care	3.05	2.23	-0.82	-27.01	6.53
4. Dislocated Worker	2.61	1.79	-0.81	-31.25	-0.33
5. Comm. Serv. Block Grant	1.98	1.33	-0.65	-32.86	2.59

With politicians reluctant to consider tax increases or entitlement and military reductions, competition for domestic discretionary program funds--social and economic development initiatives of interest to states and communities--has become fierce. Recent decisions made by Congress and the administration--bailing out insolvent savings and loan institutions, cleaning up the Department of Energy's nuclear facilities, promoting NASA's $30-billion space station, and building the superconducting supercollider--will divert many of these scarce federal dollars away from Wisconsin and toward states in the South and West. Wisconsin taxpayers, for example, will pay an estimated $485 million for the 1988 savings and loan bail-out actions, although none of the state's institutions failed.

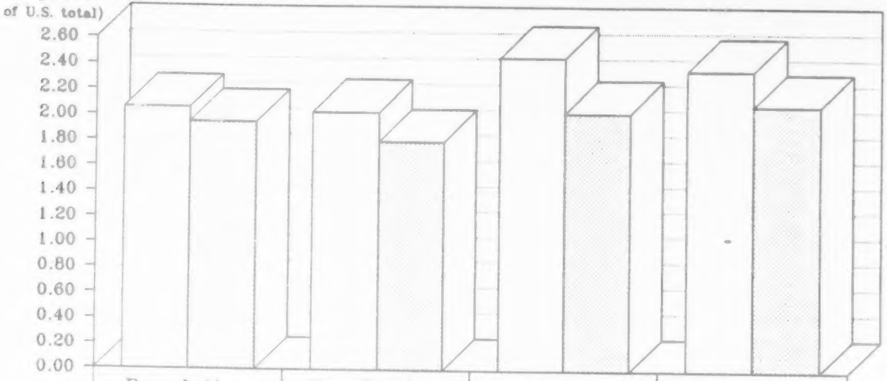
Two factors will continue to affect Wisconsin's receipt of grant program funds: increases or cuts in overall appropriations, and gains or losses in the state's share of total funds allocated. The 1990 census may well hurt Wisconsin on both of these factors. The Northeast-Midwest region probably will lose 14 seats in the House of Representatives; Wisconsin may lose one of these seats. This loss of political influence will diminish the ability of members from these states to set funding priorities and defend programs of particular benefit to the region from spending cuts.

In addition, funds for 39 of the 60 major grant programs studied are allocated in part on the basis of population. Some formulas consider the entire population while others target specific sectors, such as school-age children, older Americans, the unemployed, or those living in poverty. Some grant programs use annual population estimates to adjust the allocations. In those cases, estimated population loss accounts for some of the observed decline in Wisconsin's share of funding in these programs. Twenty major programs, however, use decennial census population factors in their formulas. Because Wisconsin has not kept pace with the national growth in population, falling from 2.06 percent in 1981 to an estimated 1.92 percent by 1990, the state can expect that use of the 1990 census numbers, which take effect in 1992, will reduce its receipt of funds.

Many grant formulas work against the interests of Wisconsin and other states in the Northeast-Midwest region by underestimating the need for federal assistance, overestimating fiscal (tax-raising) capacity, and underestimating the costs of service responsibilities. For lawmakers interested in promoting more equitable patterns of funding, many opportunities exist to target federal grants more precisely to the people and places in greatest need. Many grant formulas were fashioned years ago when Congress was less concerned with budget deficits. As a result, formulas frequently contain crude and inaccurate factors approximating states' needs and their ability to meet those needs. Congress can correct these distortions when it reauthorizes the grant programs.

Wisconsin

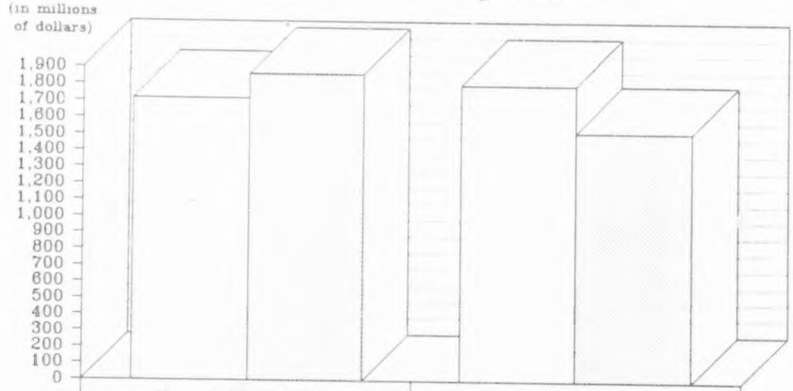
Figure 1. State Population and Tax Burden Compared to Receipt of Grant Funds



	Population	Tax Burden	All Grants	Top 60 Grants
1981	2.06	2.03	2.46	2.36
1988	1.95	1.80	2.03	2.09

☐ 1981 ☐ 1988

Figure 2. Total State Federal Funding for 60 Largest Grants



	Nominal Dollars	Real Dollars
First Year	1,716.45	1,802.43
Last Year	1,861.3	1,520.37

☐ First Year ☐ Last Year

Table 1

Total Awards, Wisconsin's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Medicaid	17,382.07	30,396.40	3.26	2.30	-0.96	-29.51	567.23	699.24	132.01
AFDC	6,938.72	9,987.67	3.19	3.07	-0.12	-3.61	221.25	306.98	85.73
General Revenue	5,133.68	--	2.33	0.00	-2.33	-100.00	119.38	0.00	-119.38
Const. Grants	3,833.59	1,833.00	2.19	2.78	0.60	27.26	83.80	50.99	-32.81
Interstate Const.	3,768.10	2,421.50	0.84	0.57	-0.27	-31.98	31.71	13.86	-17.85
Ed. Depr. Child	2,950.50	4,138.90	1.56	1.49	-0.07	-4.80	46.05	61.50	15.45
CDBG: Large	2,604.66	1,920.62	1.58	1.51	-0.07	-4.13	41.05	29.02	-12.03
S.S. Block Grnt	2,489.62	2,684.53	1.80	1.95	0.16	8.62	44.79	52.46	7.67
School Lunch	2,294.74	2,686.53	1.43	1.48	0.05	3.70	32.80	39.82	7.02
JTPA II-A	1,820.77	1,705.52	2.37	1.72	-0.65	-27.63	43.15	29.25	-13.90
LIHEAP	1,744.17	1,381.09	3.39	3.58	0.18	5.38	59.19	49.39	-9.80
Primary System	1,620.38	2,274.79	2.21	2.11	-0.10	-4.67	35.83	47.95	12.12
UMTA: Large	1,283.77	1,433.00	1.10	1.00	-0.10	-8.96	14.14	14.37	0.23
Bridge Rep. Reh.	925.14	1,368.91	2.37	2.16	-0.22	-9.16	21.97	29.53	7.56
WIC	905.87	1,703.44	1.99	1.67	-0.32	-16.08	18.01	28.42	10.41
Food Dist.: Child	901.14	873.51	2.06	1.73	-0.33	-16.24	18.56	15.07	-3.49
CDBG: Small	880.85	798.65	2.61	2.73	0.12	4.64	23.02	21.84	-1.18
Ed. of Hand	856.61	1,387.90	1.68	1.79	0.12	6.90	14.37	24.89	10.52
Rehab. services	833.41	1,251.79	2.25	2.19	-0.05	-2.37	18.72	27.45	8.73
Interstate 4R	780.06	2,532.12	1.50	1.35	-0.15	-10.15	11.73	34.21	22.48
JTPA IIB	777.29	673.89	1.74	1.67	-0.07	-3.78	13.51	11.27	-2.24
Urban System	772.60	722.51	1.85	1.70	-0.15	-8.08	14.32	12.31	-2.01
Emp. Ser. Admin	718.09	737.51	1.97	1.83	-0.14	-7.23	14.18	13.51	-0.67
UnEm Ins	686.61	1,407.97	2.04	2.17	0.13	6.35	13.99	30.51	16.52
Head Start	684.58	1,059.52	1.63	1.71	0.08	4.81	11.17	18.12	6.95
Voc Ed	672.99	793.16	2.32	2.11	-0.21	-8.95	15.61	16.75	1.14
School Assist	622.66	639.08	0.76	0.89	0.12	16.34	4.74	5.66	0.92
Rural Secondary	580.50	581.08	2.37	2.32	-0.05	-1.99	13.77	13.51	-0.26
Improv School P	437.72	464.75	2.06	1.99	-0.07	-3.41	9.00	9.23	0.23
Alco.Drug. MH	420.18	478.52	0.91	1.07	0.16	17.46	3.82	5.11	1.29
Child Support Enf	393.13	741.65	2.17	2.40	0.23	10.61	8.53	17.80	9.27

Table 1

Total Awards, Wisconsin's Share of the Total, Funds Received, and Changes in Funding in 60 Largest Grant Programs (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Share First Year	State Share Last Year	Difference in Share	Change in Share	State Award First Year	State Award Last Year	Change First to Last Year
	(in millions of nominal dollars)		(in percent)				(in millions of nominal dollars)		
Refugee Assist	363.43	290.26	1.39	1.73	0.34	24.71	5.04	5.02	-0.02
UDAG	356.22	188.19	3.11	0.67	-2.44	-78.32	11.09	1.27	-9.82
Maternal Child Healt	350.26	448.30	2.26	2.18	-0.08	-3.52	7.92	9.78	1.86
Win	347.90	91.80	3.82	3.97	0.14	3.72	13.30	3.64	-9.66
Older Am: Nutr	341.97	426.53	2.17	2.06	-0.11	-5.00	7.41	8.78	1.37
School Break	315.06	427.16	0.37	0.57	0.21	55.78	1.16	2.45	1.29
Foster care	308.75	716.25	3.05	2.23	-0.82	-27.01	9.42	15.95	6.53
Child Care Food	292.02	479.03	1.27	1.25	-0.03	-2.17	3.72	5.97	2.25
Senior Com. Ser	271.93	324.51	2.68	2.56	-0.12	-4.49	7.30	8.32	1.02
Interstate Sub	256.20	543.89	0.00	0.00	0.00	--	0.00	0.00	0.00
Migrant Ed	256.05	258.46	0.55	0.29	-0.26	-47.68	1.42	0.75	-0.67
Older Am Support	246.04	271.30	2.17	2.06	-0.11	-4.89	5.33	5.59	0.26
Schools & Roads	231.29	317.97	0.22	0.13	-0.09	-40.35	0.50	0.41	-0.09
Airport Imp: P	219.74	881.76	1.73	1.26	-0.48	-27.59	3.81	11.07	7.26
Rail Highway	185.36	155.76	2.71	2.50	-0.21	-7.73	5.03	3.90	-1.13
Wap	174.98	157.88	3.87	3.98	0.11	2.81	6.77	6.28	-0.49
Wat&Waste Disp	172.14	91.67	2.32	2.33	0.02	0.72	3.99	2.14	-1.85
Dislocated Wor	163.40	219.25	2.61	1.79	-0.81	-31.25	4.26	3.93	-0.33
State &Com. High	162.31	102.51	2.29	2.22	-0.07	-2.96	3.72	2.28	-1.44
Child Welfare	157.67	232.34	2.22	2.09	-0.13	-5.77	3.50	4.86	1.36
UMTA: Small	155.09	142.59	3.77	4.13	0.37	9.70	5.84	5.89	0.05
Ed of Handi Child	144.08	149.80	1.46	1.16	-0.30	-20.31	2.10	1.74	-0.36
Hazard Elim	143.54	163.11	2.30	2.23	-0.07	-3.20	3.30	3.63	0.33
Comm. Ser BG	130.10	388.29	1.98	1.33	-0.65	-32.86	2.58	5.17	2.59
Summer Food Child	101.98	110.14	0.47	0.57	0.10	21.53	0.48	0.63	0.15
Adult Ed	97.22	111.98	2.01	1.89	-0.11	-5.61	1.95	2.12	0.17
Ag. Exper. Stat	91.58	107.53	3.04	3.11	0.07	2.32	2.78	3.34	0.56
Food Dist: Elderly	85.74	129.93	3.17	2.68	-0.49	-15.57	2.72	3.48	0.76
Airport Impr:S	32.22	149.57	1.92	1.93	0.01	0.41	0.62	2.89	2.27
Total/Weighted Avg.	72,868.47	89,157.27	2.36	2.09	-0.27	-11.37	1,716.45	1,861.30	144.85

Table 2

Total Awards, Wisconsin's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real (1982) Dollars

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Medicaid	18,424.99	24,976.50	601.26	574.56	35.56	-4.44
AFDC	7,355.04	8,206.80	234.53	252.24	11.58	7.55
General Revenue	5,441.70	--	126.54	--	--	--
Const. Grants	4,063.61	1,461.72	88.83	40.66	-64.03	-54.22
Interstate Const.	3,768.10	1,878.59	31.71	10.75	-50.14	-66.09
Ed. Depr. Child	3,127.53	3,400.90	48.81	50.53	8.74	3.53
CDBG: Large	2,760.94	1,578.16	43.51	23.85	-42.84	-45.20
S.S. Block Grnt	2,396.17	2,140.77	43.11	41.83	-10.66	-2.96
School Lunch	2,432.42	2,282.52	34.77	33.83	-6.16	-2.69
JTPA II-A	1,690.59	1,360.06	40.06	23.33	-19.55	-41.78
LIHEAP	1,848.82	1,101.35	62.74	39.39	-40.43	-37.22
Primary System	1,717.60	1,814.03	37.98	38.24	5.61	0.68
UMTA: Large	1,360.80	1,142.74	14.99	11.46	-16.02	-23.55
Bridge Rep. Reh.	980.65	1,091.63	23.29	23.55	11.32	1.12
WIC	960.22	1,399.70	19.09	23.35	45.77	22.32
Food Dist.: Child	955.21	742.15	19.67	12.80	-22.30	-34.92
CDBG: Small	933.70	656.24	24.40	17.95	-29.72	-26.46
Ed. of Hand	908.01	1,106.78	15.23	19.85	21.89	30.31
Rehab. services	883.41	1,063.54	19.84	23.32	20.39	17.53
Interstate 4R	750.78	1,964.41	11.29	26.54	161.65	135.08
JTPA IIB	823.93	553.73	14.32	9.26	-32.79	-35.33
Urban System	818.96	576.16	15.18	9.82	-29.65	-35.33
Emp. Ser. Admin	666.75	588.13	13.17	10.77	-11.79	-18.17
UnEm Ins	727.81	1,122.78	14.83	24.33	54.27	64.07
Head Start	725.65	844.91	11.84	14.45	16.43	22.04
Voc Ed	713.37	651.73	16.55	13.76	-8.64	-16.82
School Assist	660.02	525.13	5.02	4.65	-20.44	-7.44
Rural Secondary	615.33	463.38	14.60	10.77	-24.69	-26.19
Improv School P	421.29	381.88	8.66	7.58	-9.35	-12.44
Alco,Drug, MH	420.18	393.20	3.82	4.20	-6.42	9.92
Child Support Enf	416.72	630.12	9.04	15.12	51.21	67.26
Refugee Assist	385.24	238.50	5.34	4.12	-38.09	-22.79
UDAG	377.59	154.63	11.76	1.04	-59.05	-91.12
Maternal Child Healt	371.28	357.50	8.40	7.80	-3.71	-7.10
Win	368.77	75.43	14.10	2.99	-79.55	-78.78
Older Am: Nutr	362.49	340.14	7.85	7.00	-6.17	-10.86
School Break	333.96	362.92	1.23	2.08	8.67	69.29
Foster care	327.28	608.54	9.99	13.55	85.94	35.71
Child Care Food	309.54	406.99	3.94	5.07	31.48	28.63
Senior Com. Ser	288.25	266.65	7.74	6.84	-7.49	-11.65
Interstate Sub	246.58	421.95	0.00	0.00	71.12	--
Migrant Ed	271.41	212.37	1.51	0.62	-21.75	-59.06
Older Am Support	260.80	216.35	5.65	4.46	-17.05	-21.10

Table 2

Total Awards, Wisconsin's Award, and Changes in Total Awards and the State's Portion of the 60 Largest Grant Programs: Real (1982) Dollars (continued)

Program Name	Total Funds First Year	Total Funds Last Year	State Award First Year	State Award Last Year	Change in Total Funds	Change in State Funds
	(in millions of real dollars)				(in percent)	
Schools & Roads	245.17	261.27	0.53	0.34	6.57	0.00
Airport Imp: P	219.74	724.54	3.81	9.10	229.72	138.74
Rail Highway	196.48	124.21	5.33	3.11	-36.78	-41.67
Wap	185.48	129.73	7.18	5.16	-30.06	-28.09
Wat&Waste Disp	182.47	75.32	4.23	1.76	-58.72	-58.42
Dislocated Wor	151.72	174.84	3.96	3.13	15.24	-20.77
State &Com. High	172.05	84.23	3.94	1.87	-51.04	-52.49
Child Welfare	167.13	190.91	3.71	3.99	14.23	7.64
UMTA: Small	164.40	113.71	6.19	4.70	-30.83	-24.12
Ed of Handi Child	152.72	123.09	2.23	1.43	-19.40	-35.77
Hazard Elim	152.15	130.07	3.50	2.89	-14.51	-17.25
Comm. Ser BG	130.10	319.06	2.58	4.25	145.24	64.66
Summer Food Child	108.10	93.58	0.51	0.54	-13.43	5.20
Adult Ed	103.05	89.30	2.07	1.69	-1[illegible].35	-18.21
Ag. Exper. Stat	97.07	88.36	2.95	2.74	-8.98	-6.87
Food Dist: Elderly	90.88	110.39	2.88	2.96	21.46	2.55
Airport Impr:S	34.15	122.90	0.66	2.37	259.85	261.33
Total/Weighted Avg.	76,226.36	72,717.24	1,802.43	1,520.37	-4.60	-15.65